986/20

United States Department of Agriculture

Office of Information

Selected Speeches and News Releases

May 9, 1986 - May 16, 1986

IN THIS ISSUE

News Releases—

USDA Proposes to Designate Nicaragua Ineligible to Export Meat to U.S.

1986 Preliminary Acreage Reduction Report Shows 186.3 Million Acres Enrolled

Turkey Eligible for More Wheat Under the Export Enhancement Program

USDA Revises Voluntary Grade Standards for Poultry

USDA Institutes Radiation Prevention Measures for Meat Imports

USDA Proposes Changes in Upland Cotton Standards

Federally Licensed Warehousemen Can Now Transfer Grain

U.S.—Canadian Horticulttural Advisory Group Calls for Easing Trade Problems

USDA Announces 1985—Crop ELS Cotton Deficiency Payment Rate

Lyng Names Members to Wheat Industry Council

USDA Announces Prevailing World Market Rice Prices

Research Assesses Ozone Damage to Crops

USDA to Sell Brazil Red Meat Under Food Security Act of 1985

USDA Issues County Loan and Purchase Rates for 1986-Crop Wheat and Barley

Lyng Names Members to National Dairy Promotion Board

Zaire Eligible for More Wheat and Wheat Flour Under Export Enhancement Program

USDA Gives Producers Earning Commodity Certificates Option for Redemption

NEWARK PUBLIC LIBRARY

JUN - 5 1986

U. S. GOVT. PUBS.
DEPOSITORY 326

A21.24/2:

READEX FICHE best copy available

News Releases

U.S. Department of Agriculture • Office of Information

USDA PROPOSES TO DESIGNATE NICARAGUA INELIGIBLE TO EXPORT MEAT TO U.S.

WASHINGTON, May 8—The U.S. Department of Agriculture will propose to remove Nicaragua from the list of countries eligible to export meat products to the United States.

"Under the Federal Meat Inspection Act a country must maintain inspection standards that are at least equal to U.S. requirements to be eligible to export meat products here," said Donald Houston, administrator of USDA's Food Safety and Inspection Service.

Houston said that once a country meets U.S. eligibility requirements, USDA employees make periodic on-site reviews of that country's inspection system to insure continued adherence to U.S. standards.

Because of the dangerous situation in Nicaragua, USDA will no longer require its employees to make periodic reviews of meat and poultry plants there," Houston said. "Since we will have no way to insure that Nicaragua is maintaining an adequate inspection program, the country must be removed from the eligibility list."

Nicaragua does not currently export meat products to the United States.

Written comments on the proposal may be sent no later than July 8 to: Regulations Office, Food Safety and Inspection Service, USDA, Room 3803 South, Washington, D.C. 20250.

Notice of this action is scheduled to appear in the May 9 Federal Register.

Marjorie Davidson (202) 447-9113

#

1986 PRELIMINARY ACREAGE REDUCTION REPORT SHOWS 186.3 MILLION ACRES ENROLLED

WASHINGTON, May 8—Secretary of Agriculture Richard E. Lyng said producers have signed contracts to place 186.3 million acres of upland cotton, extra long staple cotton, feed grain, rice and wheat crop

acreage bases in the 1986 acreage limitation programs, according to a report issued today by the U.S. Department of Agriculture.

Signup was held March 6 through April 25.

The total acreage required to be taken out of crop production and devoted to an acreage conservation reserve totals 43.9 million acres. The final acreage conservation reserve may be smaller since requirements are based on actual plantings.

The enrolled acreage represents 79.4 percent of the 234.6 million acres of total crop acreage bases established for these commodities. For the 1985 programs, 67.7 percent of the 240.3 million acre crop acreage base was enrolled.

Base acreage enrolled in the programs includes 13.7 million acres of upland cotton, 34,477 acres of extra long staple cotton, 94 million acres of feed grains, 3.8 million acres of rice and 74.8 million acres of wheat.

Producers who participate in the acreage limitation programs agree to reduce their plantings by at least 10 percent for extra long staple cotton, or 3,448 acres; 20 percent for feed grains, or 18.2 million acres; 25 percent for wheat, or 18.7 million acres; 25 percent for upland cotton, or 3.4 million acres; and 35 percent for rice, or 1.3 million acres. Additionally, wheat producers had the option of further reducing their plantings by either 5 or 10 percent or 1.6 million acres.

Participating producers will be eligible for program benefits such as Commodity Credit Corporation loans and purchases and deficiency payments. In addition, at the time they enrolled in the programs, feed grain and wheat producers had the option of requesting 40 percent and upland cotton and rice producers 30 percent of their projected 1986 deficiency payments.

Also, feed grain and wheat producers could obtain 100 percent of their land diversion payment at anytime during the program enrollment period.

A producer who accepted an advance payment, but who later does not comply with program provisions, must refund the amount of the advance payment with interest.

A final report of total acreage enrollment will be issued after June 1, 1986.

The accompanying tables show by commodity and state the number and percentage of farms and acreage signed up in the programs.

Robert Feist (202) 447-6789

#

TURKEY ELIGIBLE FOR MORE WHEAT UNDER THE EXPORT ENHANCEMENT PROGRAM

WASHINGTON, May 8—Secretary of Agriculture Richard E. Lyng today announced an additional opportunity for U.S. wheat sales to Turkey under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of wheat will be made to buyers in Turkey at competitive world prices.

Lyng said this program will give U.S. exporters the opportunity to sell an additional 500,000 metric tons of wheat. The export sales will be subsidized with wheat from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Turkish market in response to future tenders for wheat.

The first initiative to Turkey for wheat was announced last October, Lyng said, and Turkey purchased 500,000 tons under that initiative.

An invitation for offers from exporters will be issued in the near future. For more information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

USDA REVISES VOLUNTARY GRADE STANDARDS FOR POULTRY

WASHINGTON, May 9—The U.S. Department of Agriculture has revised the voluntary grade standards for poultry products to reflect recent advancements in poultry production and marketing practices, a USDA official said today.

H. Connor Kennett, an official with USDA's Agricultural Marketing Service, said the revisions will improve the effectiveness of the standards by simplifying their interpretation and enhancing the uniformity of application.

"The revisions will also eliminate the duplicate requirement for grading boneless breast and thigh parts before and after deboning," said Kennett. "Instead, the revised standards will require they be graded only after they are deboned."

The revisions also provide an additional option for printing the USDA

grademark on poultry product packages. "This way, processors will have greater flexibility in displaying the grademark on packages so that it is easily visible and compatible with various colors of packaging materials," Kennet said.

Kennett also said the proposed new standard for boneless-skinless poultry products and proposed revisions for a boneless poultry standard will not be adopted. "From the comments received, it appears that specifications between buyers and sellers are working well in the marketplace, and USDA voluntary standards for these products are not needed at this time."

USDA establishes official grades and provides grading services for many food products under authority of the Agricultural Marketing Act of 1946. Use of the grading service is voluntary and paid for by the user.

Notice of the final rule is scheduled to be published in the May 9 Federal Register, and will become effective June 9. Copies may also be obtained from Merlin L. Nichols, Jr., Assistant Chief, Standardization Branch, Poultry Division, AMS, USDA, Washington, D.C. 20250.

David Nutter (202) 447-6179

#

USDA INSTITUTES RADIATION PREVENTION MEASURES FOR MEAT IMPORTS

WASHINGTON, May 8—In the wake of the Soviet nuclear accident at Chernobyl, the U.S. Department of Agriculture will monitor meat and poultry imports from affected countries for radiation at U.S. ports of entry, said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

In addition, USDA has notified nations that export meat and poultry products to the United States that they must institute controls to prevent radiation contamination in products destined for the United States if high ground levels of radiation are detected in their country.

"At the present time there appears to be no danger to meat and poultry imports from radiation contamination from the Chernobyl accident," said Houston.

"We are, however, taking the precautionary measure of requiring countries exporting meat and poultry to the United States to test ground contamination levels. If those levels exceed 0.13 microcuries (a measure

of radiation) per square meter, we will require the countries to institute a control program to assure that the amount of radiation in the meat is below U.S. protective action levels," Houston explained.

As a check to assure compliance, USDA will monitor incoming shipments at points of entry. If the monitoring indicates any radiation contamination, the product will be held while additional tests are performed in a laboratory to confirm the radiation level.

Houston said USDA employees regularly review foreign inspection systems to insure adherence to U.S. import standards and in affected countries these reviews will include checks on compliance with radiation guidelines.

USDA is responsible for ensuring that all meat sold in commerce is safe, wholesome and accurately labeled.

Pat Drayne (202) 447-7943

#

USDA PROPOSES CHANGES IN UPLAND COTTON STANDARDS

WASHINGTON, May 9—The U.S. Department of Agriculture is proposing to revise grade standards for American Upland cotton by eliminating 13 that are rarely used and converting three others.

Jesse F. Moore, an official with USDA's Agricultural Marketing Service, said that in recent years an average of only 0.14 percent of the annual U.S. cotton production was classified into those grades proposed for elimination.

"Our ability to classify the cotton crop accurately would not be affected if these little-used grade standards were removed," said Moore.

Moore also said another proposed feature is the permanent adoption of the Strict Good Ordinary Spotted physical standard and the Strict Good Ordinary Light Spotted descriptive standard. These two standards have been in effect on a trial basis since the 1984 season.

Additionally, the remaining standards would be revised by modifying the size of leaf particles in the physical standards. According to Moore, it is necessary to alter the leaf component of the standards to reflect developments in cotton harvesting and ginning practices.

The proposed revisions will be on the agenda of the Universal Cotton Standards Conference in Memphis, Tenn., May 15-16. Delegates from 14 signatory cotton associations and U.S. delegates including USDA officials

and representatives of various segments of the domestic cotton industry will participate.

Notice of the proposed standards is scheduled to be published in the May 9 Federal Register. Comments and exceptions, postmarked by June 9 should be sent to H.H. Ramey Jr., Cotton Division, 302 Annex, AMS, USDA, Washington, D.C. 20250; tel: (202) 447-2169.

David Nutter (202) 447-8998

#

FEDERALLY LICENSED WAREHOUSEMEN CAN NOW TRANSFER GRAIN

WASHINGTON, May 9--When space shortages arise, a federally licensed grain warehouseman may now transfer stored grain to another warehouse for continued storage, according to Milton Hertz, acting administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service.

Transfers of grain, for which receipts had been issued by a warehouse, were previously prohibited by the U.S. Warehouse Act of 1916, as amended.

The 1916 law was amended on March 20, and grain transfers are now legal. The warehouse where the grain was first deposited and receipted will continue to be responsible to the owner for redelivery of quantity, kind, quality and grade of grain deposited. Warehousemen can move the grain to another warehouse, provided it is neither government-owned nor under loan to the Commodity Credit Corporation, according to Hertz.

Government-owned grain or grain under CCC loan remain under the terms of the Uniform Grain Storage Agreement. To transfer grain under UGSA, the warehouseman is still subject to UGSA and must fulfill the following requirements:

—For government-owned grain, the warehouseman must obtain written permission from ASCS's Kansas City Commodity Office.

—For grain under CCC loan, the warehouseman must get written permission from the producers of the grain and must advise the ASCS county office in writing of the amount of loan grain to be transferred and the names of the producers involved.

Warehousemen with questions on the amendment can contact: Rolland Hendricks, Chief, Warehouse License and Contract License Division,

KCCO, ASCS, 8930 Ward Parkway, Kansas City, Mo. 64141. Tel: (816) 926-6444.

The Secretary of Agriculture issued new regulations generated by the March 20 amendment, which were published in the May 9 Federal Register. The regulations will be considered interim-final; however, interested parties can submit written comments. Comments must be received on or before July 8 for consideration.

Send comments to: Paul King, Director, Warehouse Division, USDA, ASCS, Room 5968-S, P.O. Box 2415, Washington, D.C. 20013. Comments will be available for public inspection in room 5968-S of USDA's South Building during business hours.

John C. Ryan (202) 447-6788

#

U.S.-CANADIAN HORTICULTURAL ADVISORY GROUP CALLS FOR EASING TRADE PROBLEMS

WASHINGTON, May 9—The U.S.-Canadian Horticultural Industry Advisory Group has presented recommendations in five trade areas to U.S. and Canadian government officials to help resolve fruit and vegetable trade problems between the two countries.

Two key recommendations address policies toward agricultural chemicals. The advisory group recommended that agricultural chemicals not be used as a trade barrier and that any trade issues arising from the registration and use of agricultural chemicals should be decided on scientific and health grounds and also consider benefits to agriculture and consumers.

The group also recommended that U.S. and Canadian officials cooperate on technical and regulatory issues related to registration and tolerance setting for chemicals, and on import enforcement issues. The group said it would be desirable if agricultural chemicals were registered in both the United States and Canada for use on the same crops.

The advisory group also recommended:

—That U.S. and Canadian government agencies coordinate their labeling requirements for irradiated foods;

—That representatives of the U.S. and Canadian potato industries consult with each other in an attempt to resolve their trade differences and report back to the advisory group; and

—That the Canadian government provide additional staff to administer the Canadian Board of Arbitration, which reviews and rules on complaints filed against fruit and vegetable traders. The advisory group emphasized the need for timely reviews by the arbitration board and recommended that the Canadian government consider adopting trust provisions similar to the U.S. Perishable Agricultural Commodities Act (PACA). These trust provisions provide financial protection to buyers and sellers in the event of bankruptcies or insolvencies. In addition, the advisory group recommended that U.S. government representatives be asked to ensure protection under PACA for Canadian shippers equal to that provided to U.S. shippers.

The advisory group also discussed subsidies, standard containers, easements, transshipments and other measures related to bilateral trade. The group will continue these discussions at future meetings.

The U.S.-Canadian Horticultural Industry Advisory Group was established in January by Canadian Agriculture Minister John Wise and then U.S. Secretary of Agriculture John Block to resolve problems in trade in fruits and vegetables between the two countries.

Sally Klusaritz (202) 447-3448

#

USDA ANNOUNCES 1985-CROP ELS COTTON DEFICIENCY PAYMENT RATE

WASHINGTON, May 9—Eligible producers of extra long staple cotton will receive deficiency payments at the rate of 14.14 cents per pound on their 1985 production, a U.S. Department of Agriculture official said today.

According to Milton Hertz, acting administrator of USDA's Agricultural Stabilization and Conservation Service, the 1985 deficiency payment rate is equal to the difference between the target price of 103.14 cents per pound and the national average price received by producers from August 1985 through March 1986. The average price received during this period was 89.0 cents per pound.

Producers who participated in the 1985 ELS cotton acreage reduction program are eligible to receive deficiency payments on the number of pounds equal to their ELS cotton planted acres times their farm program yields.

The Agricultural Stabilization and Conservation Service will begin making payments at the end of May. Total payments are estimated to be about $1.5 million.

Bruce Merkle (202) 447-6787

#

LYNG NAMES MEMBERS TO WHEAT INDUSTRY COUNCIL

WASHINGTON, May 13—Secretary of Agriculture Richard E. Lyng today apppointed ten members and ten alternates to serve two-year terms on the Wheat Industry Council, which administers a national research and nutrition education program for wheat and wheat foods.

The 20-member council is composed of wheat producers, wheat processors, wheat end product manufacturers and consumers. The program is financed by assessing bakers, bread manufacturers and other wheat end product users one-cent per hundredweight on their purchases of processed wheat.

Newly appointed council members are Edwin F. Ross, Fisher, Minn., and J. Dale Criddle, Downey, Idaho, representing producers; Jack L. Karp, L. Karp and Sons, Elk Grove Village, Ill., and William W. Hay, Pillsbury Co., Minneapolis, Minn., representing processors; David S. Leavenworth, Campbell Taggart, Inc., Dallas, Texas, representing wheat end product manufacturers; and Carole A. Bisogni, Cornell University, Ithaca, N.Y., representing consumers.

Members reappointed are Raymond L. Davis, Potter, Neb., representing producers; Robert L. Schaus, Reymond Baking Co., Waterbury, Conn., and Vincent S. Callaghan, Oven Fresh Bakery, Grand Rapids, Mich., representing wheat end product manufacturers; and Dan C. McCurry, Washington, D.C., representing consumers.

New council alternates include John Oberg, Ulen, Minn., Gerald E. Riley, Dighton, Kan., and Alexander W. McLean, Mansfield, Wash., representing producers; Alexander Weber, Caravan Products Co., Totowa, N.J., and Samuel H. Rodgers, Jr., Wilkins-Rogers, Inc., Ellicott City, Md., representing processors; F. Bernard Evers, Jr., American Bread Co., Nashville, Tenn., representing wheat end product manufacturers; Jane R. Bowers, Kansas State University, Manhattan, Kan., and Janet E. Tenney, Giant Foods, Inc., Washington, D.C., representing consumers.

Reappointed as alternates were John R. Nissen, Nissen Baking Co., Portland, Maine, and Anthony H. Gioia, RHM Macaroni, Inc., Buffalo, N.Y., representing wheat end product manufacturers.

Lyng also named Bernard R. Smith, Jr., Schmidt Baking Co., Baltimore, Md., as an alternate to fill a one-year vacancy representing wheat end product manufacturers.

The council is authorized under the Wheat and Wheat Foods Research and Nutrition Education Act. USDA's Agricultural Marketing Service monitors the wheat and wheat foods program and reviews its budget, plans and projects.

David Nutter (202) 447-6179

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, May 13—Under Secretary of Agriculture Daniel G. Amstutz today announced the prevailing world market prices of rice, loan rate basis, as follows:

—long grain whole kernels, 5.90 cents per pound;
—medium grain whole kernels, 4.99 cents per pound;
—short grain whole kernels, 5.00 cents per pound;
—broken kernels, 2.95 cents per pound.

Based on the world prices announced today, the per hundredweight repayment rates for 1985-crop farm-stored loans are $3.58 for long grain rice, $3.10 for medium grain rice and $3.10 for short grain rice.

The prices announced today are effective at 3:00 p.m. EDT today. The next scheduled price announcement will be made May 20 at 3:00 p.m. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

#

RESEARCH ASSESSES OZONE DAMAGE TO CROPS

WASHINGTON, May 14—Ozone and other air pollutants are costing farmers at least $1 billion in agricultural crop losses each year, according to U.S. Department of Agriculture researchers.

"Farmers don't see ozone damage happening to their field crops, but it is," said Walter W. Heck, a plant physiologist who heads air pollution research at Raleigh, N.C., for USDA's Agricultural Research Service, in cooperation with the Environmental Protection Agency.

Damaging ozone is caused by a photochemical reaction of sunlight with automobile and industrial exhausts containing nitrogen oxides and hydrocarbons. It is different from the ozone layer in the earth's stratosphere that filters out ultraviolet sunlight but does not harm crops.

"Ozone is carried by prevailing winds, often for hundreds or thousands of miles," Heck said. "That's why rural areas, despite having fewer automobiles and industrial plants, often equal the ozone pollution levels for urban areas."

As a result, he said, crops far away from pollution sources are not necessarily safe from ozone.

"We see in field test chambers and in greenhouses that ozone is causing leaves of soybean, wheat, cotton, peanut and other agricultural crops to die prematurely, reducing yields and costing the farmer money," he said. "And the $1 billion figure doesn't include damage to horticultural crops and to forests."

Yield losses are based on crop studies done at sites across the country from 1980-82. Findings from 1983-85 are being compiled and analyzed, Heck said, and final results are expected in 1987.

Heck's laboratory has been studying the problem since 1980 as part of the National Crop Loss Assessment Network, set up by EPA to get estimates of agricultural crop losses from ozone and other air pollutants.

A typical long-term concentration, or level, of surface ozone is .05 parts per million, Heck said. In test areas, ozone levels varied from about .04 to .06 parts per million during a seven-hour day, from 9 a.m. to 4 p.m. Over a growing season from April to September, he said, ozone levels fluctuated but averaged about .05 ppm.

That level can significantly damage crops when plants absorb it over an entire growing season, he said. Among the yield losses assessed to date in the NCLAN studies:

—Peanut yields decreased about 12 percent during 1980 tests at Raleigh, one of the highest losses for crops tested.

—Soybean yields also decreased 12 percent when exposed to .05 ppm of ozone in 1980-82 field tests at Argonne, Ill., Beltsville, Md., Ithaca, N.Y., and Raleigh.

—Cotton tests at Shafter, Calif. showed a 7 percent reduction, while

1982 tests at Raleigh showed that yields of a common type of cotton grown in the south decreased by 10 percent.

—Winter wheat yields at Argonne were reduced 7 percent.

—The lowest reduction at .05 ppm was 1.5 percent in corn tests at Argonne in 1981 and for sorghum there in 1982.

—As ozone increased, yields declined for all the crops tested. At .06 ppm, for example, soybean yields were cut by 17 percent, and at .09 ppm the loss was 31 percent.

The results for soybeans, cotton, winter wheat and corn were calculated on what Heck calls a "common ozone response" of several cultivars for each crop. The peanut and sorghum results were based on data from a single cultivar for each crop.

Heck and agency plant pathologists Richard A. Reinert and Allen S. Heagle at Raleigh are studying ozone and other air pollutants in several ways. Heagle conducts outdoor field studies in specially designed test chambers; Reinert conducts indoor studies in exposure chambers placed in greenhouses and in a building called a phytotron, where environmentally controlled rooms and compartments allow scientists to study the problem under a variety of conditons.

Ozone enters a plant as its leaves absorb carbon dioxide necessary for photosynthesis, in which plants use sunlight to form carbohydrates. When damaged by ozone, a plant's leaves will age prematurely and discolor, leaf cells will die, and photosynthesis and growth will decrease.

Sean Adams (301) 344-2767

#

USDA TO SELL BRAZIL RED MEAT UNDER FOOD SECURITY ACT OF 1985

WASHINGTON, May 14—Secretary of Agriculture Richard E. Lyng today announced that the U.S. Department of Agriculture has signed a contract to sell Brazil 90,000 metric tons (198,414,000 pounds) of beef.

This sale is part of the 200 million pounds mandated for export by the Food Security Act of 1985 to minimize the adverse effects of the Dairy Termination Program on U.S. livestock producers. These exports are in addition to historical U.S. beef export levels.

Brazil will purchase 63,000 metric tons of steer and heifer beef and 27,000 metric tons of cow beef. Delivery, which is free-on-board vessel,

will be from July through October 1986. The product was sold at $655 per metric ton.

The beef will be purchased according to U.S. specifications. USDA's Agricultural Marketing Service will procure the beef on behalf of the Commodity Credit Corporation through regular procurement invitations. Packers wishing to participate in this program must meet Brazilian import requirements and should contact USDA's Food Safety and Inspection Service for detailed information on those requirements.

For other information on the sale, call (202) 447-3224.

Sally Klusaritz (202) 447-3448

#

USDA ISSUES COUNTY LOAN AND PURCHASE RATES FOR 1986-CROP WHEAT AND BARLEY

WASHINGTON, May 15—The U.S. Department of Agriculture today issued county loan and purchase rates for 1986-crop wheat and barley based on the national average loan rates announced earlier as $2.40 per bushel for No. 1 grade wheat and $1.56 per bushel for barley graded No. 2 or better.

Adjustment of state and county rates reflects prices received by farmers and production and consumption trends, according to Milton Hertz, Acting Administrator of USDA's Agricultural Stabilization and Conservation Service.

Copies of the rate schedules for counties are available from the Cotton, Grain and Rice Price Support Division, USDA-ASCS, P.O. Box 2415, Washington, D.C. 20013.

Bruce F. Merkle (202) 447-6787

#

LYNG NAMES MEMBERS TO NATIONAL DAIRY PROMOTION BOARD

WASHINGTON, May 15—Secretary of Agriculture Richard E. Lyng today announced the appointment of nine incumbent and two new members to the National Dairy Promotion and Research Board for three-year terms ending April 30, 1989.

Members reappointed are Fred J. Cockram, Baker, Ore., (region 1); Tom Sawyer, Waterford, Calif., (region 2); Louis Hinders, Canyon, Texas, (region 4); Claire A. Sandness, La Moure, N.D., (region 5); Charles Russell, Shullsburg, Wis., (region 6); Audrey Sickinger, Cato, Wis., (region 6); Elton R. Smith, Caledonia, Mich., (region 9); Keith W. Eckel, Clarks Summit, Pa., (region 11); and David M. Dodge, Woodville, N.Y. (region 12).

Newly appointed board members are Lester M. Evans, Lebanon, Mo., (region 7) and John Peter DeJong, Pinetown, N.C. (region 10). There are no board members in regions 3, 8, or 13 whose terms have expired.

The National Dairy Promotion and Research Board, composed of 36 dairy farmers, was established by the Dairy and Tobacco Adjustment Act of 1983 to develop and administer a coordinated program of promotion, research and nutrition education. The board is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets.

The national program is financed by a mandatory 15-cent per hundredweight assessment on all milk produced in the contiguous 48 states and marketed commercially by dairy farmers.

David Nutter (202) 447-6179

#

ZAIRE ELIGIBLE FOR MORE WHEAT AND WHEAT FLOUR UNDER EXPORT ENHANCEMENT PROGRAM

WASHINGTON, May 15—Secretary of Agriculture Richard E. Lyng today announced an additional opportunity for U.S. sales of wheat and wheat flour to Zaire under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of wheat and wheat flour will be made to buyers in Zaire at competitive world prices.

Lyng said this program will give U.S. exporters the opportunity to sell an additional 40,000 tons of wheat and 30,000 tons of wheat flour. The export sales will be subsidized with wheat from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Zaire market in response to future tenders for wheat and wheat flour.

The first initiative for wheat to Zaire was announced last December,

Lyng said, and Zaire purchased 20,000 tons under that initiative. The first initiative for wheat flour was announced last November and Zaire purchased 45,000 tons.

Invitations for offers from exporters will be issued in the near future. For more information, call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

USDA GIVES PRODUCERS EARNING COMMODITY CERTIFICATES OPTION FOR REDEMPTION

WASHINGTON, May 15—Producers earning commodity certificates under the 1986 farm programs will no longer be required to redeem their outstanding loan collateral but will be able to receive commodity certificates in the same manner as producers who do not have CCC loans, Secretary of Agriculture Richard E. Lyng said today.

"Until now, program provisions had required producers with outstanding Commodity Credit Corporation loans to redeem the collateral securing loans prior to receiving a commodity certificate," Lyng said.

Lyng said the added option would increase producer flexibility in using the certificates. "Producers may make their marketing decisions at any time during the transfer period which ends on September 30."

Lyng noted that the administrative complexities of administering the current farm program would be greatly reduced. "ASCS county offices have had a sharp increase in workload and this will relieve some of the pressure," Lyng said. "Also, certificates will now be issued in a much shorter time. This change in the program will benefit everyone—those for whom it was designed and those who administer it."

Bruce F. Merkle (202) 447-6787

#

986/21

United States Department of Agriculture

Office of Information

Selected Speeches and News Releases

May 16, 1986 - May 23, 1986

IN THIS ISSUE

News Releases—

Sri Lanka Eligible for Wheat Under Export Enhancement Program

USDA Announces Targeted Export Promotion Program for Dried Prunes

USDA Announces Prevailing World Market Rice Prices

USDA Announces Bonus Flour for Schools

BACKGROUNDER—Dairy Whole-Herd Buyout Program Revised

USDA to Begin Rural Housing Preservation Program

U.S. to Send Agricultural Research Teams to Hungary

USDA Proposes Adjustments in Dairy Product Reports

USDA Suspends Proposed Consolidation of Soil Conservation Facilities

FmHA Reduces Interest Rates Again

USDA Announces Weekly Cattle Slaughter, Meat Purchases and Exports of Cattle Under the Dairy Termination Program

Lyng Reappoints Californian to National Dairy Promotion Board

A21.24/2:

News Releases

U.S. Department of Agriculture • Office of Information

SRI LANKA ELIGIBLE FOR WHEAT UNDER EXPORT ENHANCEMENT PROGRAM

FORT LAUDERDALE, FLA., May 16—Secretary of Agriculture Richard E. Lyng today announced an offer for wheat to Sri Lanka under the U.S. Department of Agriculture's export enhancement program. As with previous announcements under this program, sales of U.S. wheat will be made to Sri Lanka at competitive world prices.

Lyng said this program will give U.S. exporters the opportunity to sell up to 125,000 tons of wheat. The export sales will be subsidized with wheat from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Sri Lanka market in response to future tenders for wheat.

Details of the program and an invitation for offers from exporters will be issued in the near future. This is the 32nd initiative announced under the export enhancement program. For further information, call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

USDA PROPOSES TO APPROVE NEW TEST FOR EQUINE INFECTIOUS ANEMIA

WASHINGTON, May 19—The U.S. Department of Agriculture is proposing to approve an additional test for equine infectious anemia, a debilitating, sometimes fatal disease of horses.

"The results of this test—the Competitive Enzyme-Linked Immunosorbent Assay, or CELISA test—are available in about 6 hours, as opposed to 24 to 48 hours for the Agar gel immuno-diffusion test, the only one currently approved," said Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service.

"Equine infectious anemia has been diagnosed in nearly all states,"

said Hawkins. "Use of this faster, equally accurate test could help us get test results back to the owner in a more timely fashion."

Horses can carry and spread the disease to other horses without exhibiting obvious symptoms. However, performance of infected horses in shows and races can be seriously affected. To prevent its spread to race and show horses, all horses are required to be tested for the disease when moving interstate or being imported from other countries where the disease exists.

Comments on the proposal may be sent until July 19 to Thomas O. Gessel, Director, Regulatory Coordination Staff, APHIS, USDA, Room 728 Federal Bldg., Hyattsville, Md. 20782. Comments should refer to docket 86-035. This proposal is scheduled to be published May 20 in the Federal Register.

Betsy Adams (301) 436-7776

#

USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM FOR DRIED PRUNES

WASHINGTON, May 20—Secretary of Agriculture Richard E. Lyng today announced plans to carry out a $4 million program to expand dried prune exports in the 1986-87 marketing year, especially to Western Europe.

Lyng said promotional activities will be carried out through a cooperative agreement between the U.S. Department of Agriculture's Foreign Agricultural Service and the California Prune Board. The board is a non-profit commodity association which represents prune growers and processors in California.

Promotional activities will be targeted at developing and expanding consumption of dried prunes in overseas markets, Lyng said. Efforts will initially focus on Western Europe, which generally purchases at least 60 percent of U.S. dried prune exports.

In the 1984-1985 marketing year, U.S. dried prune exports dropped 11 percent to 46,846 tons valued at $63 million. The decline was largely due to decreased sales to Western European countries, Lyng said. Export shipments in the 1985-86 marketing year are running at about the same pace as last year.

The export assistance program will be administered by USDA in accordance with the Food Security Act of 1985.

Sally Klusaritz (202) 447-3448

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, May 20—Under Secretary of Agriculture Daniel G. Amstutz today announced the prevailing world market prices of rice, loan rate basis, as follows:

—long grain whole kernels, 5.83 cents per pound;
—medium grain whole kernels, 4.89 cents per pound;
—short grain whole kernels, 4.89 cents per pound;
—broken kernels, 2.91 cents per pound.

Based on the world prices announced today, the per hundredweight repayment rates for 1985-crop farm-stored loans are $3.54 for long grain rice, $3.03 for medium grain rice, and $3.04 for short grain rice.

The prices announced today are effective immediately. The next scheduled price announcement will be made May 27 at 3:00 p.m. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

#

USDA ANNOUNCES BONUS FLOUR FOR SCHOOLS

WASHINGTON, May 20—School lunch and breakfast programs will be able to receive unlimited amounts of flour under a new program announced today by the U.S. Department of Agriculture.

Effective immediately, according to Secretary of Agriculture Richard E. Lyng, states may receive an unlimited amount of flour for their schools once they use the amount of flour they traditionally receive. The additional, or bonus, flour will not be counted as part of the states' regular allotment of USDA donated foods.

"We are taking this step in an effort to increase flour consumption and reduce the stockpile of surplus wheat that USDA is holding. We believe we have found a way to use extra flour in our schools without causing

excessive displacement of commercial sales," said Secretary Lyng.

Last year, schools ordered over 180 million pounds of USDA flour valued at $22 million. Much of it is used in school kitchens to make bread, rolls, and other bakery items. Some is sent to commercial food processors and made into items such as pizza dough and hamburger buns under processing agreements negotiated by the schools and states. This announcement is being made today so that schools may make plans for next year.

"By making flour available to states only after they use their usual amounts, we will minimize the displacement of commercial sales. So, farmers will not be hurt by USDA introducing wheat on the market from Commodity Credit Corporation stocks," Secretary Lyng said.

In addition to state and local processing agreements, USDA operates a National Commodity Processing System. As with the state systems, national commodity processors will be eligible to receive free "bonus" flour for sales made in states that have exceeded traditional usage levels.

Including free flour in the national processing system will provide an additional incentive for state and local program cooperators to increase flour use. Making the free flour contingent on states reaching traditional usage levels will ensure that total flour use actually increases.

John Webster (202) 756-3281

#

BACKGROUNDER - DAIRY WHOLE-HERD BUYOUT PROGRAM REVISED

The Food Security Act of 1985 requires the Secretary of Agriculture to operate a milk production termination, or "whole-herd buyout," program. Under the program, producers will receive payments from the U.S. Department of Agriculture's Commodity Credit Corporation—based on bids submitted to the Secretary—in exchange for stopping milk production. The dairy herds of participating producers must be sold for slaughter or export. Slaughter must occur during one of three disposal periods. Under a change to the program, USDA is soliciting requests from participating dairy farmers to shift the scheduled slaughter of their herds from the program's first contracted disposal period to its second or third. USDA will allow this modification in producers' contracted disposal periods as a result of an agreement reached recently with the

National Cattlemen's Association and other beef-industry interests.

The Agreement

The NCA and other parties filed suit in federal court in April against USDA, claiming the buyout program had illegally disrupted wholesale markets for red meat. All parties to the lawsuit filed a joint motion to vacate the preliminary injunction issued by the court April 30, and to dismiss the lawsuit. On May 19 the court did so, which made the entire agreement operative. The agreement calls for USDA to take steps to determine the number of cattle to be slaughtered under the whole-herd buyout program.

Under the agreement, USDA will solicit requests from producers with contracts for disposal of their dairy herds during the first disposal period, April 1 through Aug. 31, to modify their contracts. Modification of first-period contracts will permit some producers to dispose of their dairy cattle in the second or third disposal periods. The second disposal period is Sept. 1, 1986, through Feb. 28, 1987; the third is March 1, 1987 through Aug. 31, 1987.

How the Change Works

Producers who want to modify their contracts must contact their county ASCS office by May 30. Eligibility requirements and other details will be announced shortly. Producers who request contract changes will be notified by June 13 whether their request has been accepted. USDA will release figures on the applications received and granted.

USDA has contacted all participating producers to determine the number of animals (cows, heifers and calves) they have exported or intend to export, and the number of animals, by month, they have slaughtered or intend to slaughter.

In addition to this one-time determination of slaughter and export intentions, USDA will ask producers to provide monthly follow-up reports on animals slaughtered or exported. USDA will also ask them for notification of any change in their plans for export or slaughter, and will publish the information received.

Except for requests to change contracts from the first period to the second or third period, there will be no changes in final slaughter or export dates.

"These dates are firm and will not be extended because of slaughter

capacity or related problems," according to Agriculture Secretary Richard E. Lyng. "Producers must remember that failure to meet deadlines can result in the loss of all program benefits plus imposition of penalties of $1,000 for each violation. Producers are urged to plan well in advance for disposal of their cattle."

Red Meat Purchases

USDA will continue to make additional red meat purchases to help offset the increased meat supply resulting from the buyout program, and these purchases will continue to be in proportion to the estimated slaughter of dairy cattle under the program for each of the three disposal periods.

In order to avoid displacements in the red meat domestic market as a result of USDA purchases in connection with the program, USDA is directing all state distributing agencies to urge recipients of meat donated from the buyout program not to reduce their normal red meat expenditures, and to limit their purchases of red meat to domestic sources.

Dairy Cattle Exports

USDA is also taking measures to facilitate the export sale Exports of dairy cattle. The department has already authorized $50 million in short-term credit guarantees to facilitate the export of cattle to Mexico, and is instructing all agricultural attaches and counselors to contact importers and other interested parties about the availability of these dairy cattle.

Reports

By May 21, USDA will begin issuing weekly reports showing purchases of red meat by USDA, the number of cattle slaughtered and the number of dairy cattle sold for export under the dairy termination program. These reports also will contain aggregate data covering all previous reports.

#

USDA TO BEGIN RURAL HOUSING PRESERVATION PROGRAM

BAKERSFIELD, Calif., May 20—The U.S. Department of Agriculture's Farmers Home Administration will soon be accepting

applications for grants to help repair and rehabilitate homes for very-low and low-income rural homeowners, FmHA Adminstrator Vance L. Clark said today.

Applications will be accepted beginning June 12 until July 28 from qualified public and private nonprofit organizations for grants totaling more than $19 million.

Clark said applicants must demonstrate a need for home repair and rehabilitation in the area to be served; an acceptable plan for selecting the individual recipients and assuring the quality of work performed; support for the program by the local government of the area to be served; and sources of additional support, if any, to supplement the grant funds.

Clark said the Agency anticipates awarding about 100 grants before the end of September.

Joe O'Neill (202) 447-4323

#

U.S. TO SEND AGRICULTURAL RESEARCH TEAMS TO HUNGARY

WASHINGTON, May 21—The United States will send teams of U.S. experts on wheat rust and sunflower genetics to Hungary in 1986 as part of an ongoing exchange between the two countries of agricultural scientific and technical information, a U.S. Department of Agricultural official said yesterday.

The U.S. experts' visit to Hungary was announced yesterday morning at a ceremony at the National Arboretum that concluded two days of talks between representatives of each government. The talks were held as part of an agreement to expand economic, scientific and technical cooperation originally signed by the United States and Hungary in May 1981. A document signed at today's ceremony reaffirmed that agreement for 1986.

"Last year was most successful in terms of agricultural scientific and technical exchange between our countries," said Joan S. Wallace, administrator of USDA's Office of International Cooperation and Development. "Hungarian scientists selected for this program are well qualified, and today's agreement means a continuation in 1986 of the fruitful activities resulting from their interaction with American colleagues."

In addition to research teams on wheat rust and sunflower genetics, the

United States will send to Hungary three USDA scientists from the Soil Conservation Service to attend a meeting on "Soil Conservation Technologies" in Budapest in June, Wallace said.

The agreement is managed by USDA's Office of International Cooperation and Development, Scientific and Technical Exchange Division. For more information, contact John McAlpine, U.S. Executive Secretary to the Working Group, USDA/OICD, Room 3132 Auditors Building, 14th and Independence Ave, S.W., Washington, D.C. 20250; (202) 382-8762.

Laura Whitaker (202) 382-80

#

USDA PROPOSES ADJUSTMENTS IN DAIRY PRODUCT REPORTS

WASHINGTON, May 21—The U.S. Department of Agriculture's National Agricultural Statistics Service (formerly the Statistical Reporting Service) is proposing to discontinue the data series on milk equivalent of manufactured dairy products that is published in "Dairy Products: Annual Summary."

Agency Administrator William E. Kibler said the factors used in converting manufactured products to required quantities of whole milk have not been updated for many years and do not reflect many current industry practices.

The series will be discontined starting with the May 1987 release of "Dairy Products: Annual Summary," which will cover the year 1986. In addition, a table showing supply and utilization of milk, published annually in "Milk Production, Disposition, and Income," will be discontinued. This change also will be effective in May 1987.

Comments from data users regarding the proposed changes may be sent to Robert L. Freie, Chief, Livestock, Dairy and Poultry Branch, Estimates Division, Room 5897-S, NASS/USDA, Washington, D.C. 20250. The comment period will close on June 16, 1986.

Diane Decker (202) 786-14

#

USDA SUSPENDS PROPOSED CONSOLIDATION OF SOIL CONSERVATION FACILITIES

WASHINGTON, May 21—Secretary of Agriculture Richard E. Lyng today suspended a proposed consolidation of the National Technical Centers of USDA's Soil Conservation Service.

Lyng determined that after a preliminary review of the proposal questions remained as to the appropriateness and efficacy of consolidating the four National Technical Centers into a single center at Fort Worth, Texas. A final decision will be made no later than Feb. 1, 1987.

The four SCS technical centers are located at Portland, Ore.; Lincoln, Neb.; Chester, Pa.; and Fort Worth, Texas. Their function is to provide technical advice and support, based on research and new technology, to SCS's field offices nationwide. Personnel in the field offices of the Soil Conservation Service provide technical advice and counsel to farmers, ranchers, and other land users in the techniques of soil and water conservation.

About 550 people now work at the four technical centers. At the consolidated center in Fort Worth, this number would be reduced to about 450. According to SCS, a single center can operate more efficiently, can save costs of nearly $3 million per year for an initial investment of about $5.5 million to effect the moves and can provide adequate support to its field staffs.

Lyng said, "While a reorganization of the National Technical Centers would reduce budget costs, concerns have been raised as to a loss of program effectiveness. We are reconsidering the SCS proposal, reviewing all public input, and will seek comments from appropriate state conservation offices."

Jim Benson (202) 447-4772

#

FmHA REDUCES INTEREST RATES AGAIN

BAKERSFIELD, Calif., May 21—Due to the improved economy, the U.S. Department of Agriculture's Farmers Home Administration will reduce interest rates on its farmer program loans for the third consecutive

month, Administrator Vance Clark announced today. The new rates become effective, June 1.

"The reduced rate of inflation has reduced the cost of money to the Federal Government," Clark said. He noted that "the reduction in interest rates is another indication of the improving economy. Farmers, as well as others, will benefit from the improving economic situation."

The interest rate for farm operating loans will drop from 8.625 percent to 8.00 percent and the rate for farm ownership will be reduced by a full point, from 9.25 percent to 8.25 percent.

Limited resource loans for operating purposes will be lowered from 5.6 percent to 5 percent, the lowest rate permitted by law. Farm ownership limited resource loans had already been reduced to the 5 percent level.

Soil and water loans and Indian Land Acquisition loans will be reduced by a point, from 9.25 percent to 8.25 percent.

Mary Ann Baron (202) 447-4323

#

USDA ANNOUNCES WEEKLY CATTLE SLAUGHTER, MEAT PURCHASES AND EXPORTS OF CATTLE UNDER THE DAIRY TERMINATION PROGRAM

WASHINGTON, May 21—An estimated 36,300 head of dairy cattle were slaughtered in federally-inspected plants during the week ending May 3, 1986, as a result of the Dairy Termination Program, the U.S. Department of Agriculture announced today.

This total includes all cows, heifers and calves identified as dairy animals designated for disposition in compliance with the program requirements.

The cumulative total of cattle slaughtered under the program from April 1 through May 3 is an estimated 293,100 head.

The purchases of meat in addition to normal purchases are to help offset the effects of the DTP. These purchases, which totaled 10,729,480 pounds during the week ending May 17, consisted of 3,961,980 pounds of canned beef, 6,275,500 pounds of frozen bulk ground beef, 36,000 pounds of frozen smoked hams and 456,000 pounds of frozen choice beef roasts. The cumulative domestic purchases total 68,998,380 pounds.

With the announced contract with Brazil for the sale of 198,414,000 pounds of beef, total commitments to date are for 267,412,380 of the 400

million pounds required under the Food Security Act of 1985.

Dairy cattle reported for export under the program for the period April 1 through May 3 totaled an estimated 2000 head. Live cattle exported under the program are expected to increase as countries develop tenders to participate in the export enhancement programs. Live cattle exports are in addition to meat-purchase requirements.

This report is the first of a series to be released each Wednesday, required under the settlement of a lawsuit filed by beef cattle interests.

The following table will be updated and released each Wednesday.

Cattle Slaughtered, Meat Purchased and Cattle Exported under the Dairy Termination Program[1]

Week Ending (1986)	Cattle Slaughtered (Number)	Meat Purchased (Pounds)	Cattle Reported for Export (Number)
April 19		5,762,880	
26	256,800[2]	16,046,016	
May 3	36,300	17,530,200	2,000[3]
10		18,929,804	
17		10,729,480	
24			
31			
Cumulative Total	293,100	68,998,380	2,000

[1]Includes all cows, heifers and calves under the DTP.

[2]Estimated for April 1 - April 26.

[3]Estimates for period April 1 through May 3 based on preliminary data and subject to revision.

Bruce Merkle (202) 447-6787

#

LYNG REAPPOINTS CALIFORNIAN TO NATIONAL DAIRY PROMOTION BOARD

WASHINGTON, May 21—Secretary of Agriculture Richard E. Lyng today announced the reappointment of Pete J. Vander Poel, of Chino, Calif., to the National Dairy Promotion and Research Board.

Vander Poel, representing region 2, joins the other eleven members appointed May 14 to serve three-year terms ending April 30, 1989.

Other incumbents reappointed were Fred J. Cockram, Baker, Ore., (region 1); Tom Sawyer, Waterford, Calif., (region 2); Louis Hinders, Canyon, Texas, (region 4); Claire A. Sandness, La Moure, N.D., (region 5); Charles Russell, Shullsburg, Wis., (region 6); Audrey Sickinger, Cato, Wis., (region 6); Elton R. Smith, Caledonia, Mich., (region 9); Keith W. Eckel, Clarks Summit, Pa., (region 11); and David M. Dodge, Woodville, N.Y. (region 12).

Newly appointed board members were Lester M. Evans, Lebanon, Mo., (region 7) and John Peter DeJong, Pinetown, N.C. (region 10). There are no board members in regions 3, 8, or 13 whose terms have expired.

The National Dairy Promotion and Research Board, composed of 36 dairy farmers, was established by the Dairy and Tobacco Adjustment Act of 1983 to develop and administer a coordinated program of promotion, research and nutrition education. The board is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets.

The national program is financed by a mandatory 15-cent per hundredweight assessment on all milk produced in the contiguous 48 states and marketed commercially by dairy farmers.

David Nutter (202) 447-6179

#

986/22

United States Department of Agriculture

Office of Information

Selected Speeches and News Releases

May 23 - May 30, 1986

JUN 24 1986

U. S. GOVT. PUBS.

IN THIS ISSUE

Remarks—

Prepared for delivery by Secretary of Agriculture Richard E. Lyng to the Federation of International Seedmen Congress, San Francisco, Calif., May 26.

Prepared for delivery by Leo V. Mayer, Associate Administrator of the Foreign Agricultural Service, before the Sixth Annual World Meat Congress at The Hague, The Netherlands, May 29.

News Releases—

Intentions for Export and Slaughter of Dairy Cattle

USDA Reschedules Caribbean Agribusiness Workshop in Puerto Rico to Sept. 4-6

USDA To Conduct Wheat Poll

CCC Sells Nonfat Dry Milk For Conversion Into Casein

USDA Announces Prevailing World Market Rice Prices

USDA Proposes To Amend Official Standards For Flue-cured Tobacco

USDA Proposes License Fee Increase

USDA Announces Weekly Cattle Slaughter, Meat Purchases And Exports Of Cattle Under The Dairy Termination Program

USDA Accepts 3 Million More Acres for Conservation Reserve Program

A 21.24/2:

Remarks

U.S. Department of Agriculture • Office of Information

Prepared for delivery by Secretary of Agriculture Richard E. Lyng to the Federation of International Seedsmen Congress, San Francisco, Calif., May 26.

I am both pleased and honored to be here this morning. Pleased by the opportunity of sharing some of my views on agriculture with you. And honored by the challenge of addressing such a distinguished group of people who—as an industry—has had such a profound impact upon mankind.

As a native Californian, I am also very pleased that you are meeting here in my home state. If this is your first visit to California, I hope your travel plans will allow enough time for you to visit some of our seed producing areas.

As you have heard, I, too, got my start in the seed business. My family's company was not a big one. But, as I began to learn the ropes of that business during the Depression of the 1930's, it taught me some valuable lessons about agricultural policies that are as true today as they were 50 years ago.

One of those lessons is that a farmer must have a market for his products. And to survive in that market, his products must be priced at a level at which they will compete.

Unfortunately, American farm policy has, at times, lost sight of those two principles. One example occurred when the Carter Administration imposed its infamous grain embargo against the Soviet Union—a leading customer of American farmers.

Before that action was reversed by President Reagan in 1981, our worldwide reputation as a reliable supplier of farm products was nearly shattered.

Another example was when we passed the 1981 United States farm bill. That bill contained a rigid schedule of price supports that, as time passed, priced American farm products out of international markets.

Congress partially rectified this mistake when it passed a new farm bill last December—known as the Food Security Act of 1985. I won't burden you with a lengthy discussion of that legislation.

The important point to remember is that it put into place some sorely needed building blocks upon which we can rebuild prosperity in American agriculture.

First, it gave the secretary of agriculture authority to set price supports at a level that will restore our competitive position in world markets.

Second, it provides the tools we have needed to counter some of the unfair trade practices and selective trade barriers which have reduced our share of the world market.

Some provisions of this legislation may prove overly expensive in years to come. Nevertheless, the new law will serve as an effective transition to a more market-oriented food and fiber policy.

But equally important, it has served notice around the world that the United States is firmly committed to restoring its fair share in international markets.

As secretary of agriculture, I intend to pursue those goals efficiently and aggressively. It will not be easy, in part because American agriculture is such an integral part of our global economy for food and fiber.

As President Dwight D. Eisenhower said 30 years ago, "What we call foreign affairs is no longer foreign affairs. It's a local affair. Whatever happens in Indonesia is important to Indiana. Whatever happens in any corner of the world has some effect on the farmer in Dickinson County, Kansas ..."

Or, as former Secretary of State Cordell Hull said even earlier than that, "Enduring peace and the welfare of nations are indissolubly connected with friendliness, fairness, equality and the maximum practicable degree of freedom in international trade."

Nations throughout the world—including the United States—have not always followed those precepts in their trade relations. There is growing frustration around the globe over the lack of enforceable rules that preclude nations from using protectionism and their own national treasuries to obtain inequitable shares of the world's markets.

The impact of those actions hurts individual farmers everywhere. For example, the American farmer produces enough food and fiber to supply the needs of 116 people—of whom 30 live outside U.S. boundaries. Because so many of his customers are international rather than domestic, he has become vulnerable, beyond his control, to the fluctuations in world markets...changes in monetary values...and the effects of trade practices of nations thousands of miles from his farm gate.

His frustration is understandable. He knows from experience that—given a level playing field—he can compete with farmers anywhere in terms of his production efficiency. Likewise, he knows that to survive, he must focus his vision on the expansion of international trade.

I'm also reasonably sure that the conditions which frustrate American farmers are equally frustrating to the wheat farmer in Canada, the rice grower in Thailand, the sugar cane producer in the Philippines, the cotton farmer in Pakistan, and the dairyman in the Netherlands.

It was to these and related issues that the seven heads of government turned signficant attention during the recent economic summit meeting in Tokyo. The results of that summit for global agriculture were historic. Never before has such attention been given to the global problems in agriculture by the world leaders of the industrial democracies.

Their declaration concerning agriculture is worth recalling...so I'd like to quote it to you directly:

"We note with concern that a situation of global structural surplus now exists for some important agricultural products, arising partly from technological improvements, partly from changes in the world market situation and partly from longstanding policies of domestic subsidy and protection of agriculture in all our countries. This harms the economies of certain developing countries and is likely to aggravate the risk of wider protectionist pressures. This is a problem which we all share and can be dealt with only in cooperation with each other.

"We all recognize the importance of agriculture to the well-being of rural communities, but we are agreed that, when there are surpluses, action is needed to redirect policies and adjust structure of agricultural production in the light of world demand. We recognize the importance of understanding these issues and express our determination to give full support to the work of the Organization for Economic Cooperation and Development in this field."

The seven world leaders further reaffirmed their full commitment "to halting and reversing protectionism and to reducing and dismantling trade restrictions." In supporting a new, strengthened General Agreement on Tariffs and Trade, they also declared that:

"Further liberalization of trade is, we believe, of no less importance for the developing countries than for ourselves ..."

And that brings to mind the equally critical issue of hunger, malnutrition and improvement of people's diets around the world.

Those of you who have watched the news on television this morning

have undoubtedly witnessed a major event that occurred across the United States yesterday. Several million people, standing side-by-side, holding hands in a line that stretched clear across this nation, pledging their efforts to help the hungry and the homeless in America.

I am proud of that volunteer spirit...for it is the same spirit that has supported this nation's efforts to help feed the hungry and the homeless throughout the world for nearly half a century.

For example, when drought and political turmoil unleashed another round of starvation on central African nations last year, the United States supplied over 3 million metric tons of food assistance. Combined with transportation, this aid totaled over $1 billion—well over half the assistance given to those stricken countries.

That volume represented only a portion of the food assistance provided by the United States last year. In total, we supplied over 9 million metric tons of food world wide—the highest volume in over 15 years.

But the global problems of hunger and malnutrition are not caused by the inability of the world's farmers to produce enough food. They can, and they do! If the world's food supply had been evenly divided among the world's population over the past 20 years, each person would have received more than the minimum number of calories needed for survival.

Rather, we have geographic hunger because the food isn't where the people are. And, we have individual hunger because the people who need the food the most can't get it.

In most situations, the starving families shown in the media are refugees, fleeing from wars or political upheavals. In all too many of those cases, the food relief efforts they need so badly are hampered by the very turbulence that caused the hunger in the first place.

These facts do not diminish the need for scientists and seedsmen like yourselves to continue efforts to find better varieties of plants and seeds that will help alleviate world hunger. At the same time, we must work together to develop the technological and economic foundations by which men and women can lift themselves up from the ravages of malnutrition and hopelessness.

With that in mind, I salute this Federation of International Seedsmen. Through the work of men and women like Dr. Johnson E. Douglas, the first recipient of your World Seed Prize two years ago—and this year's winner, Mr. Petcharat Wannapee of Thailand—you have made major strides towards improving the opportunities for farmers throughout the world.

In so doing, you have also helped to upgrade the daily diets and overall health of millions of men, women and children.

Your efforts have thus given broader meaning to that old English proverb: "He that sows good seed, shall reap good corn."

#

Remarks prepared for delivery by Leo V. Mayer, associate administrator of the Foreign Agricultural Service, before the Sixth Annual World Meat Congress at The Hague, The Netherlands, May 29.

U.S. Perspective on The New Round of Trade Negotiations

It is a pleasure to attend this 6th Annual World Meat Congress as the representative of the United States Department of Agriculture. World meat production and trade have become an important part of global commerce.

I am also pleased to have this opportunity to discuss the United States' perspective on the new round of multilateral trade negotiations. This round of negotiations, the eighth since World War II, will open this Fall with a meeting of trade ministers in Punta del Este, Uruguay.

While every nation represented at this congress has an important stake in correcting the manifold weaknesses of the present international trading system, the United States is particularly affected. U.S. merchandise trade now accounts for 15 percent of the U.S. gross national product. Exports are an important part of production for many U.S. sectors, including industry, agriculture and services.

For these reasons, President Reagan took the lead in the international community in urging that a new round of multilateral trade negotiations be launched. However, he is not alone.

The vast majority of members at last November's meeting of the GATT contracting parties agreed with us that the time has come to seriously prepare for new trade talks. Last month the 24 members of the Organization for Economic Cooperation and Development (OECD) vigorously endorsed the new round, as did the participants in the recent summit meeting of industrial democracies in Tokyo.

I'd like to quote very briefly from the section of the Tokyo Summit Declaration that relates to agriculture:

"We note with concern that a situation of global structural surplus now exists for some important agricultural products, arising partly from technological improvements, partly from changes in the world market situation and partly from the longstanding policies of domestic subsidy and protection of agriculture in all our countries. This harms the economies of certain developing countries and is likely to aggravate the risk of wider protectionist pressure. This is a problem which we all share and can be dealt with only in cooperation with each other."

The summit document indicated a role for the OECD to play in fostering greater cooperation in world agricultural trade. However, the summit statement in no way lessens the determination of the U.S. government to see that agriculture is also given prominence and priority in the upcoming round of trade talks under the GATT.

The international trading order currently is at a point where disappointment with the functioning of GATT trade rules as they now exist is encouraging increasing bilateralism and regionalism throughout the world—and the consequent pursuit of more narrow and parochial trading objectives.

The United States, for example, recently entered into a free trade agreement with Israel and only last week began talks with Canada on a similar free trade arrangement.

Trade in goods and services between the United States and Canada amounts to close to $150 billion, the largest exchange between any two nations in the world. The establishment of a free trade area between our two nations would have an extremely significant impact on the entire world trading order.

In the past, the United States has been neither an active proponent of nor a particularly active participant in bilateral trade agreements. Given the choice, we in the agricultural sector in particular preferred to develop trading arrangements and rules that would increase the opportunities of nations, rich and poor, to exchange their goods and services under equitable conditions.

We believed, and still do, that a multilateral system of disciplined agricultural trade, based on the principle of comparative advantage, offers the best use of agricultural resources for the benefits of the world's producers and consumers alike.

It is for that reason that the United States has pushed so hard for a new round of Multilateral Trade Negotiations. And for us, agriculture will be a matter of special urgency in the talks.

Ambassador Clayton Yeutter, the United States Trade Representative, testified recently before the U.S. Congress that the United States' major goal in agricultural negotiations is "to bring to an end the chaos that now characterizes the international marketplace." He then went on to say that it is imperative that GATT bring agriculture under effective trading rules and disciplines.

Secretary of Agriculture Richard E. Lyng was even more specific in the goals for agriculture in an appearance a few weeks ago before the U.S. Senate. He stated that:

"It is essential to the orderly conduct of trade, and to the benefit of U.S. agriculture, to write more effective GATT rules for controlling unfair trade practices such as export subsidies, to improve access to foreign markets, and to impose greater discipline on the use of food, plant and animal health restrictions."

Surely I don't have to tell anyone at this congress of the many restrictions that abound in the world marketplace for such agricultural products as meat. There are a wide variety of trade barriers such as quotas, tariffs, and variable levies designed to protect domestic meat producers.

The European Community uses all of these devices to exclude meat exports from non-member countries. Canada relies on both import quotas and production subsidies. Japan imposes quotas. Taiwan, the Philippines, and Korea are other important markets which have erected barriers against meat imports from various countries. We in the United States have a Meat Import Law that can impose quotas on beef, mutton, and goat meat under certain circumstances.

A potential barrier of a different kind is the European community's Third Country Red Meat Directive. The directive outlines health and inspection standards for non-member countries exporting meat products to the Community and includes many provisions which create the need for costly facility changes in many non-member countries without significant health or safety benefits.

At the recent Tokyo Summit, the seven participants reaffirmed their commitment to halt and reverse protectionism, and to reduce and dismantle trade restrictions. Gaining support of these seven nations at the summit for removing these impediments to trade was one of the major goals of the United States.

A second major U.S. goal, to quote Ambassador Yeutter once again, is

to "treat agricultural export subsidies no differently than subsidies for industrial products."

The Subsidies Code as currently written poses a major problem for the international trading order. While export subsidies are not allowed for industrial products, GATT rules do not prohibit the use of export subsidies on primary agricultural products. However, the rules do say subsidies should not be used when they result in the exporting country's obtaining more than an equitable share of world trade.

The negotiators of the Subsidies Code hoped that they could make this concept more precise so that some subsidies at least could be ruled out. They also wanted to prevent a subsidizing country from displacing another country in a given market or from price undercutting.

The United States for five years has tried to make the Subsidies Code work. The results have convinced us that export subsidies should be prohibited for agricultural products.

The basic situation remains the same as it was before the Tokyo round of trade negotiations a decade ago. The present rules aim at limiting damage from subsidies rather than limiting subsidies themselves. Even with the stronger rules under the Subsidies Code, damage is not easily proved.

The fact is that the United States is now actively using export subsidies. As we continue to use this measure, it should become clear to the trading community that the solution for all of us—the United States, the European Community, the less developed countries—is to prohibit their use.

A good example is beef. The European Community has transformed itself through the use of export subsidies from one of the largest markets for meat to the largest beef exporter in the world.

Through various mechanisms, the EC's Common Agricultural Policy (CAP) supports livestock prices at levels above prevailing world market prices. As a result, EC meat production has increased far beyond domestic consumption.

We in the United States have repeated solve its over-production problem internally and refrain from further disrupting the international market by the use of export subsidies.

However, many in Europe and elsewhere apparently did not believe us when we began to say several years ago that we would not continue to watch our trade deteriorate indefinitely without taking action to defend our trade interests.

It was in recognition of this fact that the United States last year was driven to launch its own export subsidy program—known as the Export Enhancement Program.

Former Secretary of Agriculture John Block stated when he announced the very first initiative that, "The Export Enhancement Program is not one we would freely choose. It is a risky, yet necessary step. We see it as a counter to unfair trade practices in the present, and as an encouragement to trade talks in the future."

Certainly our preference in the United States is not to subsidize our farm exports. We believe very strongly that market forces, not governments, should be the primary influence on the movement of trade.

We believe a system of disciplined agricultural trade, based on the principle of comparative advantage, offers the best use of agricultural resources for the benefit of producers and consumers alike. Further, we believe that government should involve itself only as a "court of last resort," that is, it should provide guidance to farmers when production adjustment is necessary to balance domestic supply and demand.

Furthermore, we believe this approach cannot be unilateral: The United States cannot, and should not be expected to singlehandedly bear the burden of adjusting its agricultural production to the vagaries of world demand. The problem of a global structural surplus in agriculture is one faced by all major producing nations, and it must be dealt with on a global scale. We hope the upcoming GATT talks will provide us with an opportunity for reaching a solution that will make production adjustment multilateral much like trade rules are multilateral.

Another major problem area that must be tackled in the upcoming talks is the improvement of the GATT dispute settlement process and procedures.

Under the current system, it takes far too long to resolve problems due to the fact that there are many opportunities for the parties in the dispute to slow down the process and time limits, to the extent they exist at all, are often ignored. In addition, because the GATT rules are vague in many areas, the rulings handed down by GATT panels are often ambiguous or unclear. We need to make the rules more operationally effective—and we also must find a way to enforce them.

At present, even when a GATT panel hands down a ruling, the losing party frequently blocks its adoption—thus paralyzing the whole system. The result is that the whole GATT settlement process loses creditibility. This, in turn, leads to calls for unilateral action—actions that are difficult

for implementing governments to defend and affected governments to prevent.

The bottom line on this issue is that it will be futile to rewrite and clarify the rules if there is not the will and the commitment among the GATT members to honor them and carry them out.

The recommendations of the GATT Committee on Trade in Agriculture (CTA) have provided a good framework for negotiations on agriculture in the upcoming GATT talks. However, the problems we and other countries face in agricultural trade are enormous because, traditionally, too many exceptions from GATT rules have been made for agriculture.

Consequently, we feel that agriculture should be brought more under the general disciplines of the GATT. While we expect that the majority of the negotiations on agriculture will take place in the CTA, or its successor in the trade negotiations, we do not think it wise for the negotiations to address agricultural problems exclusively in an agricultural group.

If countries want to raise subsidy issues in another group, they should have that right. What we don't want is a set of rules coming out of the next trade round which further segregates agriculture from GATT discipline.

The problems facing world trade in agricultural products are enormous and we should not close our eyes to good solutions that come up in groups outside of agriculture. We should be willing to consider possible solutions regardless of where they may originate.

We in the United States are under no illusions that it will be easy to reach accord on the trade problems besetting agriculture. It never has been.

Back in 1964, Orville Freeman, who was then our secretary of agriculture, explained to U.S. audiences that trade negotiations involving agricultural products were particularly difficult for several reasons. To quote him briefly:

"The immense improvements in agricultural productivity have brought the pressure of agricultural surpluses to bear on farm prices and farm incomes. Also, this rising productivity has led many countries of the world to believe that they can become self-sufficient in agricultural production even though they have failed to do it in the past. This has long been a goal in some areas. So on the one hand the tendency to protect the farmers from the price consequences of increased output leads to trade restrictionism. And on the other hand, the prospect of increased

productivity rekindles the desire of many countries of finally becoming self-sufficient."

Quite obviously, little has changed in agriculture over the past 22 years. In some ways it is disheartening that we have made so little real progress in resolving our problems. But we in the United States prefer to believe that after all these years the time is ripe for reaching some solutions.

As we see it, there are three important issues which we resolve in the upcoming trade talks:

—We must halt the increasing trend toward protectionism and lower the barriers that are currently restricting the efficiency of the world agricultural system and the expansion of world trade.

—We must move away from subsidies and other practices which are aggravating the problem of world agricultural surpluses. Instead, we must allow the marketplace to play its necessary role in adjusting the level of world agricultural production.

—Lastly, we must come up with an effective dispute settlement process so that when trade frictions arise, as they will, they can be settled promptly and implementation of the settlement is assured.

Thank you for this opportunity to present the United States' views on the upcoming trade talks.

#

News Releases

U.S. Department of Agriculture • Office of Information

INTENTIONS FOR EXPORT AND SLAUGHTER OF DAIRY CATTLE

WASHINGTON, May 23—The United States Department of Agriculture announced today results of a survey of Dairy Termination Program participants indicating their intentions for the export and slaughter of dairy cows, heifers and calves.

Participants said about 95,000 of the 1.5 million animals under the program would be exported.

Bruce Merkle (202) 447-6787

#

USDA RESCHEDULES CARIBBEAN AGRIBUSINESS WORKSHOP IN PUERTO RICO TO SEPT. 4-6

WASHINGTON, May 23—The Agribusiness Development Workshop for the Caribbean Basin, originally scheduled by the U.S. Department of Agriculture to take place in Puerto Rico June 22-25, is postponed until September 4-6, USDA officials announced.

The USDA workshop will be held concurrently with a conference sponsored by Caribbean/Central American Action on Complementary Operations Through Tax Code 936. The 936 provision exempts U.S. firms from federal tax on profits earned in Puerto Rico.

Holding the two workshops at the same time will allow participants to attend USDA sessions on agribusiness development in the Caribbean as well as C/CAA sessions primarily concerning other sectors of the economy, said Joan S. Wallace, administrator of USDA's Office of International Cooperation and Development.

The USDA workshop will bring together potential Caribbean and U.S. business partners, especially those involved in small or mid-size

enterprises, to explore joint agribusiness ventures or expand their business operations.

Caribbean participants will represent enterprises that can supply such agricultural products as non-traditional fruits, juices, cut and ornamental flowers, off-season vegetables, fish and fish products, herbs and spices, woods and furniture parts, leather and leather products, textiles and clothing, and handicrafts.

Participants will discuss products and services that can help process, package, market and distribute such agricultural products in the Caribbean basin, the United States and other countries.

Wallace said the USDA workshop will highlight case studies of successful business arrangements between U.S. and Caribbean entrepreneurs. Sessions will describe the nuts and bolts of setting up joint ventures, developing business plans and obtaining project financing.

Information about the USDA Agribusiness Development Workshop is available from OICD's Private Sector Relations office (202) 475-4791.

#

USDA TO CONDUCT WHEAT POLL

WASHINGTON, May 23—On June 18, the U.S. Department of Agriculture will begin to poll wheat producers to determine whether they favor the imposition of mandatory limits on wheat production, a USDA official announced today. The poll is required by the Food Security Act of 1985.

Richard W. Goldberg, acting under secretary for international affairs and commodity programs, said the poll is non-binding upon the Secretary of Agriculture and response by wheat producers is voluntary. Producers will be asked if they favor imposition of mandatory limits on production of wheat which will result in wheat prices that are not lower than 125 percent of the cost of production.

Each producer will be mailed a wheat poll ballot on June 18. Responses must be postmarked by July 7.

Bruce Merkle (202) 447-6787

#

CCC SELLS NONFAT DRY MILK FOR CONVERSION INTO CASEIN

WASHINGTON, May 23—Milton J. Hertz, acting administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service, today announced that the Commodity Credit Corporation sold 385,198 pounds of nonfat dry milk for conversion into casein or caseinates.

Schreiber Foods, Inc., Green Bay, Wisconsin, bought 99,900 pounds at 18 cents per pound and Mid America Dairymen, Inc., Arden Hills, Minnesota, bought 285,298 pounds at 20 cents per pound.

Additional offers are requested. Bidders have until June 2 to submit bids.

The Food Security Act of 1985 mandates that the CCC offer on a competitive bid basis at least 1 million pounds of its inventory of nonfat dry milk annually for conversion into casein.

For information about the program and the invitation for offers, contact: Debbie S. Crow or George M. James, Kansas City Commodity Office, P.O. Box 205, Kansas City, Missouri 64141. Tel: (816) 926-6241.

Robert Feist (202) 447-6789

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, May 27—Acting Secretary of Agriculture Daniel G. Amstutz today announced the prevailing world market prices of rice, loan rate basis, as follows:

—long grain whole kernels, 5.78 cents per pound;
—medium grain whole kernels, 4.79 cents per pound;
—short grain whole kernels, 4.79 cents per pound;
—broken kernels, 2.89 cents per pound.

Based on the world prices announced today, the per hundredweight repayment rates for 1985-crop farm-stored loans are $3.51 for long grain rice, $2.98 for medium grain rice, and $2.98 for short grain rice.

The prices announced today are effective at 3 p.m. EDT. The next scheduled price announcement will be made June 3 at 3:00 p.m. EDT,

although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

#

USDA PROPOSES TO AMEND OFFICIAL STANDARDS FOR FLUE-CURED TOBACCO

WASHINGTON, May 28—The U. S. Department of Agriculture is proposing to revise the grade standards for flue-cured tobacco to more accurately describe tobacco appearing at the marketplace, a department official announced today.

Lioniel S. Edwards, a marketing official with the USDA'S Agricultural Marketing Service, said the proposal is based on USDA's continuous review of current grade standards and in response to recommendations by a U.S. Senate appointed ad hoc committee. The ad hoc committee, composed of six representatives of the tobacco industry, was appointed by the Senate Committee on Agriculture, Nutrition and Forestry.

Edwards said the changes would distinguish papery body, a thin bodied oilless tobacco, from regular body in the P (primings), X (lugs) and C (cutters) stalk positions and develop new grades to describe excessively scorched and whitish-lemon colored tobacco.

The proposal would also delete five rarely used grade standards which in recent years have appeared in insufficient volume to justify their continued use.

Notice of the proposed standards is scheduled to be published in the May 28 Federal Register. Comments and exceptions, which must be received by June 12, should be sent to Lioniel Edwards, AMS, USDA, Tobacco Division, Room 502 Annex Building, Washington, D.C. 20250.

David Nutter (202) 447-6179

#

USDA PROPOSES LICENSE FEE INCREASE

WASHINGTON, May 28—The U.S. Department of Agriculture has proposed a $36 increase in the basic, annual license fee required for fruit and vegetable traders to operate in the produce industry under provisions

of the Perishable Agricultural Commodities Act, a USDA official announced today.

Joseph A. Gribbin, an official with USDA's Agricultural Marketing Service, said the increase is needed to assure that services to the produce industry are maintained through fiscal year 1989. Fees paid by licensees cover most of the cost of administering the program.

The proposed fee schedule, which is below the amount currently authorized by law, would require a firm licensed under PACA to pay an annual fee of $216, plus $108 for each branch facility it operates in excess of nine. The maximum fee charged would be $1800. The current fee is $180, plus $72 for each branch facility in excess of nine, to a $1200 maximum.

PACA establishes a code of good business conduct for the produce industry and requires all interstate traders in fresh and frozen fruits and vegetables to be licensed by USDA.

Comments and exceptions, which must be received by June 20, should be sent to M. A. Clancy, PACA Branch, Fruit and Vegetable Division, AMS Room 2713-S, USDA, Washington, D.C. 20250.

David Nutter (202) 447-6179

#

USDA ANNOUNCES WEEKLY CATTLE SLAUGHTER, MEAT PURCHASES AND EXPORTS OF CATTLE UNDER THE DAIRY TERMINATION PROGRAM

WASHINGTON, May 28—An estimated 36,900 head of dairy cattle were slaughtered in federally-inspected plants during the week ending May 10, 1986, as a result of the Dairy Termination Program, the U.S. Department of Agriculture announced today.

This total includes all cows, heifers and calves identified as dairy animals designated for disposition in compliance with the program requirements.

The cumulative total of cattle slaughtered under the program from April 1 through May 10 is an estimated 332,900 head.

The purchases of meat in addition to normal purchases are to help offset the effects of the DTP. These purchases, which totaled 10,274,308 pounds during the week ending May 24, consisted of 5,618,808 pounds of canned beef, 4,581,500 pounds of frozen bulk ground beef, 36,000

pounds of frozen smoked hams and 38,000 pounds of frozen choice beef roasts. The cumulative domestic purchases total 79,272,688 pounds.

Dairy cattle reported for export under the program for the period April 1 through May 24 totaled an estimated 3,318 head. Live cattle exported under the program are expected to increase as countries develop tenders to participate in the export enhancement programs. Live cattle exports are in addition to meat-purchase requirements.

The following table will be updated and released each Wednesday:

Cattle Slaughtered, Meat Purchased and Cattle Exported under the Dairy Termination Program[1]

Week Ending (1986)		Cattle Slaughtered (Number)	Meat Purchased (Pounds)	Cattle Reported for Export[2] (Number)
April	19		5,762,880	
	26	259,700[3],[4]	16,046,016	
May	3	36,300	17,530,200	2,000
	10	36,900	18,929,804	-
	17		10,729,480	-
	24		10,274,308	1,788
	31			
Cumulative Total		332,900	79,272,688	3,788

[1]Includes all cows, heifers and calves under the DTP.
[2]Preliminary data, subject to revision.
[3]Estimated for April 1 - April 26.
[4]Revised.

Bruce Merkle (202) 447-6787

#

USDA ACCEPTS 3 MILLION MORE ACRES FOR CONSERVATION RESERVE PROGRAM

WASHINGTON, May 29—The U.S. Department of Agriculture has accepted 3,000,681 acres of highly erodible cropland on 22,863 farms into the Conservation Reserve Program for 1986, Acting Secretary of Agriculture Daniel G. Amstutz said today.

Farmers on 34,157 farms had submitted bids for a total of 4,646,524 acres. The accepted bids ranged up to $90 per acre, with an average of $44.23.

"We are pleased with the excellent response from farmers during the second sign-up," Amstutz said. "With this level of participation, we are well on our way to our goal of taking 40-45 million acres of highly erodible land out of production within the next 5 years." Combined with acreage accepted from the first signup in March, CRP acreage now totals 3.8 million acres, he said.

Annual rental payments will compensate farmers for retiring highly erodible land from crop production. The amount of payment is determined by the bid per acre and the number of accepted acres.

Participants also will receive conservation payments of up to 50 percent of eligible costs of establishing trees and grass on the acreage placed in the reserve.

The conservation payments will partially reimburse farmers for the one-time costs of establishing required conservation practices on the cropland.

Land entered into the conservation reserve, mandated by the Food Security Act of 1985, will be ineligible for farming for 10 years and must be planted with permanent vegetative cover, Amstutz said.

Amstutz said the program will bring many benefits, including the enhancement of wildlife habitat, since the enrolled acres are in the program for the 10-year period.

During the first sign-up period, March 3-14, USDA accepted bids to enter 8,356 acres on 10,307 farms into the program. Bids on that sign-up also ranged up to $90 per acre, with an average of $41.82.

USDA will announce a third CRP sign-up later this year, Amstutz said.

Detailed data on the bids submitted during the May 5-16 sign-up and accepted are listed in a state-by-state supplemental table.

State	Total No. of of Farms Bidding	Total Acres Bid	Total Farms With Accept-able Bids	Total Acres	Total Cost
Ala.	874	72,760	655	51,548	$1,959,867
Alaska	10	5,959	5	3,846	125,586
Ariz.	0	0	0	0	0
Ark.	343	29,957	241	20,677	974,150
Calif.	124	63,564	101	59,452	2,832,071
Colo.	1,457	611,528	1,209	526,424	20,449,917
Conn.	4	185	0	0	0
Del.	3	107	0	0	0
Fla.	275	21,140	228	17,353	652,903
Ga.	1,161	70,931	965	55,140	2,176,809
Hawaii	1	85	1	85	6,800
Idaho	738	177,453	369	95,160	3,959,080
Ill.	1,134	58,190	693	30,991	2,071,810
Ind.	634	25,877	345	12,032	716,880
Iowa	2,584	186,623	1,578	101,609	7,304,129
Kan.	2,337	240,720	1,788	184,236	9,160,123
Ky.	1,136	71,475	699	35,547	2,044,851
La.	101	10,167	75	7,507	313,712
Maine	89	3,511	64	2,662	127,915
Md.	34	921	17	344	19,968
Mass.	0	0	0	0	0
Mich.	345	17,107	241	11,035	601,852
Minn.	3,733	369,684	2,379	214,665	10,546,167
Miss.	1,260	96,030	1,064	75,110	2,821,623
Mo.	2,070	206,315	1,452	136,665	7,655,362
Mont.	725	270,945	324	117,834	4,009,509
Neb.	1,440	172,813	842	96,055	4,925,598
Nev.	3	458	0	0	0
N.H.	0	0	0	0	0
N.J.	7	215	3	101	6,078
N.M.	722	259,705	551	205,040	7,647,267
N.Y.	218	8,668	175	7,079	398,226
N.C.	462	15,785	353	12,358	543,639
N.D.	738	122,884	494	77,052	2,629,560
Ohio	430	19,346	265	10,783	589,499
Okla.	1,105	192,221	758	119,409	4,899,470
Ore.	441	133,914	362	112,850	5,497,810
Pa.	361	13,447	255	8,285	481,865
Puerto Rico	10	581	10	581	33,566
R.I.	0	0	0	0	0
S.C.	476	26,799	409	22,324	877,781
S.D.	586	97,429	411	65,594	2,338,165
Tenn.	1,528	77,843	945	40,938	2,069,455
Texas	2,416	636,881	1,060	278,913	10,171,645
Utah	190	47,892	154	40,837	1,547,637
Vt.	7	161	2	50	2,242
Va.	265	8,209	203	5,725	265,546
Virgin Islands	0	0	0	0	0
Wash.	597	144,215	365	95,717	4,633,040
W.Va.	10	421	2	53	2,456
Wis.	908	36,960	700	26,229	1,625,090
Wyo.	65	18,443	51	14,786	498,609
GRAND TOTAL	34,157	4,646,524	22,863	3,000,681	$132,215,328

Robert Feist (202) 447-6789

#

986/23

United States Department of Agriculture

Office of Information

Selected Speeches and News Releases

May 30, 1986 - June 6, 1986

NEWARK PUBLIC LIBRARY

JUN 2 6 1986

U.S. GOVT. PUBS.
DEPOSITORY, B26

IN THIS ISSUE

News Releases—

USDA Announces Test Results for Puerto Rico's Meat and Poultry
USDA Releases Cost of Food at Home for April
Algeria, Tunisia Eligible for Dairy Cattle Purchases
Amstutz Announces Details of Grain-Fuel-Ethanol Program
Comment Period Extended on Proposal to let Great Britain Export Poultry to U.S.
USDA Issues County Loan, Purchase Rates for 1986-Crop Corn
USDA Announces 1987 Wheat Program Provisions
Farmer-Owned Grain Reserve Limits Announced for the 1986-Crop
USDA Cautions Crop Participants on Modifying Contracts
USDA Announces 1987 Common Program Provisions
CCC Loan Interest Rate Remains 6-1/2 Percent
USDA Science Agency Announces Research Associate Openings for 1986
USDA Announces Prevailing World Market Rice Prices
USDA Reports Tests for African Swine Fever in Florida are Negative
Myers Sworn in as Deputy Secretary of Agriculture
U.S.-Canada Agricultural Trade Talks Set for Washington in June
USDA Announces Record Beef Purchases
USDA Announces Weekly Cattle Slaughter, Meat Purchases and Exports of Cattle Under the Dairy Termination Program

USDA Program Announcement—

USDA Offers Options to Handle Shortage of Grain Storage Space

A 21.24/2:

News Releases

U.S. Department of Agriculture • Office of Information

USDA ANNOUNCES TEST RESULTS FOR PUERTO RICO'S MEAT AND POULTRY

Washington, May 29—The U.S. Department of Agriculture announced today that intensive tests of Puerto Rico's meat and poultry supply turned up no trace of diethylstilbestrol (DES) or zeranol, the two animal growth promotants that had been blamed as a possible cause of early sexual development among young Puerto Rican children.

In announcing the results of its eight-month-long special testing program, USDA said it found no evidence to indicate consumption of meat or poultry is responsible for the problem, commonly known as premature thelarche.

"We used new tests that are so sensitive they would have revealed the presence of even just one part per billion of zeranol or a quarter of one part per billion of DES," said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service. "We looked at a total of 693 samples taken from every part of the island, and they were all negative for both compounds."

DES, a powerful synthetic estrogen, was banned in 1979 by the Food and Drug Administration for use in all food animals after it was linked to cancer in human beings. Zeranol, a much weaker synthetic estrogen, is a growth promotant approved by the FDA for use as an implant in cattle.

USDA's special sampling program in Puerto Rico began a year ago and continued through December. It was prompted by concerns that estrogen contamination might be responsible for an increase in cases of premature thelarche reported in recent years among Puerto Rican children.

"We take such concerns seriously," Houston said. "USDA is responsible for the safety of the country's meat and poultry supply, and we gave the meat and poultry eaten in Puerto Rico the most intense examination ever given that of any area. The results should reassure the public that it is safe."

The samples were also tested for other types of residues, including antibiotics and pesticides. More than 6,500 analyses were performed. Sixteen violations were found: 12 for illegal levels of sulfa, two for

arsenical compounds, and one each for streptomycin and chlordane.

Houston said these violations are not considered significant with regard to premature thelarche, nor are they considered unusual. They are comparable, he said, to results from the USDA's National Residue Monitoring Program, which routinely tests meat and poultry from all over the United States for residues of various drugs and chemicals administered to animals or to which they may be exposed.

A report on the special sampling program was made public today after being transmitted to the Puerto Rican Department of Health's special commission on premature thelarche. It follows a report submitted in March by the FDA on the results of its own study, an extensive examination of veterinary drug usage on the island, which FDA said revealed no unapproved drugs in use, nor the importation of any unapproved drugs from foreign countries.

Patricia Drayne (202) 447-7608

#

USDA RELEASES COST OF FOOD AT HOME FOR APRIL

WASHINGTON, May 29—This is the U.S. Department of Agriculture's monthly update of the weekly cost of food at home for April 1986.

Tabel on next page

Cost of food at home for a week in April 1986

	Food plans			
	Thrifty	Low-cost	Moderate cost	Liberal
Families:				
Family of 2 (20-50 years)	37.40	47.30	58.60	72.60
Family of 2 (51 years and over)	35.30	45.40	56.20	67.20
Family of 4 with preschool children	54.40	68.00	83.30	102.10
Family of 4 with elementary schoolchildren	62.60	80.00	100.10	120.50
Individuals in four-person families:				
Children:				
1-2 years	9.80	11.90	13.90	16.70
3-5 years	10.60	13.10	16.10	19.40
6-8 years	13.10	17.30	21.60	25.30
9-11 years	15.50	19.70	25.20	29.20
Females:				
12-19 years	16.10	19.30	23.40	28.30
20-50 years	16.10	20.20	24.50	31.30
51 and over	15.90	19.50	24.20	28.90
Males:				
12-14 years	16.20	22.30	27.80	32.60
15-19 years	16.80	23.10	28.70	33.20
20-50 years	17.90	22.80	28.80	34.70
51 and over	16.20	21.80	26.90	32.20

USDA's Human Nutrition Information Service computes the cost of

food at home for four food plans—thrifty, low-cost, moderate-cost, and liberal.

Suzanne Harris, deputy assistant secretary for food and consumer services, said the plans consist of foods that provide well-balanced meals and snacks for a week.

In computing the costs, USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods, and other nonfood items bought at the store.

"USDA costs are only guides to spending," Harris said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes, and how much food is prepared at home.

"Most families will find the moderate-cost or low-cost plan suitable," she said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families who have tighter budgets. Families with unlimited resources might use the liberal plan."

To use the chart to estimate your family's food costs:

—For members eating all meals at home—or carried from home—use the amounts shown in the chart.

—For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out 5 days a week, subtract 25 percent, or one-fourth the cost shown.

—For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in four-person families. If your family has more or less than four, total the "individual" figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

—For a one-person family, add 20 percent.

—For a two-person family, add 10 percent.

—For a three-person family, add 5 percent.

—For a five- or six-person family, subtract 5 percent.

—For a family of seven or more, subtract 10 percent.

Details of the four family food plans are available from the Nutrition Education Division, Human Nutrition Information Service, USDA, Federal Building, Hyattsville, Md. 20782.

Johna Pierce (301) 436-8617

#

ALGERIA, TUNISIA ELIGIBLE FOR DAIRY CATTLE PURCHASES

WASHINGTON, May 29—Acting Secretary of Agriculture Daniel G. Amstutz today announced that Algeria and Tunisia are eligible to purchase a total of 9,000 head of U.S. dairy cattle under the Export Enhancement Program. As with previous announcements under this program, sales of U.S. dairy cattle will be made to buyers in these countries at competitive world prices.

Amstutz said these programs will give U.S. exporters the opportunity to sell up to 5,000 head of dairy cattle to Algeria and 4,000 head to Tunisia. The export sales will be subsidized with commodities from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in these markets in response to future tenders for dairy cattle.

These two offers bring the number of initiatives announced under the Export Enhancement Program to 34.

Details of the program and invitations for offers from exporters will be issued in the near future. For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

AMSTUTZ ANNOUNCES DETAILS OF GRAIN-FUEL-ETHANOL PROGRAM

WASHINGTON, May 29—Acting Secretary of Agriculture Daniel G. Amstutz today ruled out the compounding of benefits for producers of fuel ethanol who take advantage of the Commodity Credit Corporation's grain-fuel-ethanol program.

Under the program producers can earn a commodity certificate equal to

1 bushel of CCC-owned grain for every 2-1/2 bushels of grain removed from the marketplace.

"Fuel-ethanol producers who acquire grain with a CCC certificate or buy grain with the proceeds of a CCC certificate cannot use that grain to generate more assistance," said Amstutz.

After ruling out this form of compound benefits, Amstutz announced the following additional details of the program, which uses surplus grain to aid the financally distressed fuel ethanol industry.

—Producers must submit proof that they bought grain and turned the grain into fuel ethanol during an eligible processing month to qualify for certificates.

—Producers may accept CCC's offer by presenting evidence of grain aquisitions and ethanol production as provided in CCC's "Announcement and Offer," an agreement form, which will be sent to all eligible producers.

—Producers must submit proof of the previous month's fuel production on or before the last day of the following month. For example, proof of all grain-based ethanol production for May 1986 must be submitted to CCC on or before June 30, 1986.

—Producers may submit proof of all bushels used to produce fuel ethanol during an eligible processing month.

—Regardless of when a producer receives notice of eligibility, all grain removed from the market and used to produce ethanol between May 10 and September 30, 1986, is eligible for commodity certificates.

—The U.S. Department of Agriculture's Office of the Inspector General will monitor the program for compliance both during the course of the program and afterwards.

John C. Ryan (202) 447-6788

#

COMMENT PERIOD EXTENDED ON PROPOSAL TO LET GREAT BRITAIN EXPORT POULTRY TO U.S.

WASHINGTON, May 30—The U.S. Department of Agriculture is extending until July 9 the comment period on its proposal to designate Great Britain eligible to export poultry to the United States.

According to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service, the comment period was extended 30 days

due to industry requests for additional time to evaluate the proposal and submit comments.

The proposal was published in the April 9 Federal Register, and the comment period was originally scheduled to close June 9. Comments on the proposal may be sent to: Regulations Office, Food Safety and Inspection Service, USDA, Room 3803 South, Washington, D.C. 20250. Oral comments may be made to Dr. William Havlik, Director, Foreign Programs Division, International Programs, (202) 447-2644.

Notice of the extension is scheduled to be published in the June 2 Federal Register.

Marjorie Davidson (202) 447-9113

#

USDA ISSUES COUNTY LOAN, PURCHASE RATES FOR 1986-CROP CORN

WASHINGTON, May 30—The U.S. Department of Agriculture today issued county loan and purchase rates for 1986-crop corn grading No. 2 or better. The rates are based on the national average rate of $1.92 per bushel announced January 13, 1986.

The loan and purchase rates vary from county to county.

Milton Hertz, Acting Administrator of USDA's Agricultural Stabilization and Conservation Service, said USDA made adjustments of county and state rates to reflect changes in prices received by farmers and production and consumption trends.

The 1986 schedule of discounts for corn is unchanged from 1985, Hertz said.

Copies of the rates are available from the Cotton, Grain and Rice Price Support Division, ASCS-USDA, P.O. Box 2415, Washington, D.C. 20013.

Bruce F. Merkle (202) 447-6787

#

USDA ANNOUNCES 1987 WHEAT PROGRAM PROVISIONS

WASHINGTON, May 30—Acting Secretary of Agriculture Daniel G. Amstutz today announced a 27.5 percent wheat acreage reduction and

other provisions of the 1987 wheat program.

Other provisions include:

—Producers will be required to maintain in acreage conservation reserve an area equal to 37.93 percent of planted wheat.

—The established target price will be $4.38 per bushel, the same as for the 1986 crop.

Amstutz said no marketing quotas will be in effect for the 1987 crop. A marketing quota would require producers to limit the quantities of wheat they could market. The USDA is required to announce by June 15 each year whether a marketing quota will be in effect for the following wheat marketing year.

The remaining 1987 wheat program provisions, the loan level and whether a diversion program will be required will be announced by July 1, Amstutz said.

Robert Feist (202) 447-6789

#

FARMER-OWNED GRAIN RESERVE LIMITS ANNOUNCED FOR THE 1986-CROP

WASHINGTON, May 30—Acting Secretary of Agriculture Daniel G. Amstutz today announced the maximum amounts of grain for the 1986 crops of wheat and feed grains that may be stored under the farmer-owned grain reserve.

He said the upper limits on the quantity of grain in the farmer-owned reserve is being set at 17 percent for wheat and 7 percent for feed grains of the estimated domestic and export usage of these grains during the 1986-87 marketing years. The U.S. Department of Agriculture estimates those quantities at about 380 million bushels for wheat and 625 million bushels for feed grains.

Amstutz said that entry into the reserve program will not be permitted for maturing 1986-crop wheat and feed grain loans if the quantities in the reserve from earlier crop years exceed the established upper limits for the grains at the time the 1986-crop loans mature.

Today's announcement does not affect maturing 1985-crop wheat and feed grains Commodity Credit Corporation loans, Amstutz said. Producers with 1985-crop loans may continue to place such loans into the reserve, even if the above limits are exceeded, he said.

Before each year's harvest, the USDA is required to announce the upper limits of the quantity of wheat and feed grains that may be stored under the reserve, Amstutz said.

Robert Feist (202) 447-6789

#

USDA CAUTIONS CRP PARTICIPANTS ON MODIFYING CONTRACTS

WASHINGTON, May 30—The U.S. Department of Agriculture will not agree to a modification of any Conservation Reserve Program contract which would result in larger program payments than under the original contract, Acting Secretary of Agriculture Daniel G. Amstutz announced today.

Under the CRP, producers receive annual rental payments for agreeing to take highly erodible land out of crop production for a 10-year period.

CRP participants are subject to the $50,000 per year payment limitation required by the Food Security Act of 1985, Amstutz said.

Amstutz said that there have been reports that some program participants are planning to avoid the limitation requirement by dividing the enrolled CRP land into acreage blocks and transferring the acreage to others.

The total land rental payment of the new CRP contracts may not be greater than the original contract payment, Amstutz said.

Robert Feist (202) 447-6789

#

USDA ANNOUNCES 1987 COMMON PROGRAM PROVISIONS

WASHINGTON, May 30—Limited cross compliance requirements will be in effect for the 1987-crops of wheat, feed grains, cotton and rice, Acting Secretary of Agriculture Daniel G. Amstutz announced today.

Under the limited cross compliance provision, as a condition of eligibility for loans, purchase or payments for a wheat, feed grain, upland cotton or rice crop, the acreage planted for harvest on a farm in other commodities, including extra-long staple cotton, may not exceed the crop acreage bases of such commodities.

Other common program provisions that will apply to the 1987-crops of wheat, feed grains, cotton and rice include;

—Under the 50/92 program provisions, haying and grazing of designated conservation use land will be permitted at the request of the State Agricultural Stabilization Committees. The production of nonprogram crops on 50/92 acreage will not be permitted. The 50/92 provision means that producers who plant at least 50 percent of the permitted acreage to the program crop and devote the remaining permitted acreage to a conserving use will be eligible to receive deficiency payments on 92 percent of the permitted acreage.

—Production of alternate crops on Acreage Conservation Reserve will not be permitted. Grazing of ACR will be permitted at the request of State ASC Committees, except during any 5-consecutive-month period designated by the committees.

—The authority for farmers to adjust any crop acreage base by up to 10 percent of the base with a corresponding downward adjustment in other crop acreage bases on the farm will not be permitted.

Other determinations on common program provisions will be announced later, Amstutz said.

Robert Feist (202) 447-6789

#

CCC LOAN INTEREST RATE REMAINS 6-1/2 PERCENT

WASHINGTON, June 2—Commodity loans disbursed in June by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 6-1/2 percent interest rate, according to acting CCC Executive Vice President Milton Hertz.

The new rate, the same as in May, reflects the interest rate charged CCC by the U.S. Treasury in June.

Robert Feist (202) 447-6789

#

USDA SCIENCE AGENCY ANNOUNCES RESEARCH ASSOCIATE OPENINGS FOR 1986

WASHINGTON, June 3—Veteran scientists with the U.S. Department

of Agriculture are looking for 100 new scientists to join them for up to two years in special high-technology research projects.

Terry B. Kinney, Jr., administrator of USDA's Agricultural Research Service, said the new scientists must have completed graduate school within the last several years.

The 100 positions and $4 million to fund the research are double the totals for last year, Kinney said. All the new scientists will be recruited through the agency's research associate program that has been expanded each year since it was introduced in 1981.

"We want to continue to attract talented scientists to careers in agricultural research," Kinney said. "Our 1986 program increases the opportunities."

Agency administrative officers and expert review panels selected the 100 projects from nearly 400 proposals submitted by agency scientists nationwide.

Kinney said many of the projects "could lead to important new knowledge in molecular biology and genetic engineering and could have a significant effect on crop and livestock production in U.S. agriculture."

One of the projects will involve finding out how crops produce chemical compounds that fight off weeds, and how such natural herbicides can be made more effective. The associate recruited for this project will work with Stephen Duke, a plant physiologist at the agency's Southern Weed Science Research Laboratory in Stoneville, Miss.

Duke, a former research associate himself, won the T. W. Edminster award given annually by the agency in recognition of the year's best project proposal. The award is named in honor of a former administrator of the agency.

Some of the other research associate projects include:

* Use of monoclonal antibodies to identify genetic causes of disease susceptibility in crops and livestock, and recombinant DNA and other genetic engineering techniques to help develop vaccines against these diseases.

* Biotechnologies for investigating enzymes linked to photosynthesis in plants and for studying the genetics and physiology of plant growth and development.

* Studies of destructive and beneficial soil-borne microorganisms.

* Computer simulation models for crop production, erosion control, livestock breeding, range management, and numerous other agricultural concerns.

Research associates will be hired at the GS-11 or GS-12 levels with salaries ranging from $26,381 to $31,619.

Persons interested in applying for a position should contact the Agricultural Research Service, Personnel Division, c/o N. L. Bakes, Building 003, Room 333, Beltsville, Md. 20705. Only U.S. citizens may apply.

Steve Miller (301) 344-3108

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, June 3—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market prices of rice, loan rate basis, as follows:

—long grain whole kernels, 5.78 cents per pound;
—medium grain whole kernels, 4.79 cents per pound;
—short grain whole kernels, 4.79 cents per pound;
—broken kernels, 2.89 cents per pound.

Based on the world prices announced today, the per hundredweight repayment rates for 1985-crop farm-stored loans are $3.51 for long grain rice, $2.98 for medium grain rice, and $2.98 for short grain rice.

The prices announced are effective today at 3:00 p.m. EDT. The next scheduled price announcement will be made June 10 at 3:00 p.m. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

#

USDA REPORTS TESTS FOR AFRICAN SWINE FEVER IN FLORIDA ARE NEGATIVE

WASHINGTON, June 4—U.S. Department of Agriculture veterinarians today reported that tests for African swine fever on 132 hogs near Belle Glade, Fla., are all negative.

According to Bert Hawkins, administrator of USDA's Animal and Plant Health Inspection Service, two different tests completed at APHIS' Foreign Animal Disease Diagnostic Laboratory at Plum Island, N.Y.,

over the weekend showed no evidence of the virus that causes this often fatal disease of swine. Preliminary results on a third test were also negative.

Hawkins said the tests and investigation were made as a follow-up to reports of sick pigs in the area, and in response to a researcher's blood sample that indicated the presence of African swine fever virus antibodies in one pig slaughtered earlier. The possibility of a laboratory error is reportedly being considered by the researcher who discovered the African swine fever antibodies. This researcher was working with African swine fever reagents at the time that could have caused the problem.

USDA tests for hog cholera on the same 132 samples also were negative. Both diseases have similar clinical signs; neither is known to exist in the United States.

"Our concern is to prevent either African swine fever or hog cholera from entering this country," Hawkins said.

The last case of hog cholera in the United States was eliminated in 1976 following a 15-year eradication campaign. African swine fever has never been diagnosed here. However, that disease did invade the Dominican Republic in 1978 and was diagnosed in Haiti the following year. USDA worked with both countries to eradicate the disease and then restock with healthy pigs.

Larry Mark (301) 436-7799

#

MYERS SWORN IN AS DEPUTY SECRETARY OF AGRICULTURE

WASHINGTON, June 4—Peter C. Myers was sworn in today as Deputy Secretary of Agriculture.

Myers served as Assistant Secretary of Agriculture for Natural Resources and Environment from May 16, 1985, until now. He was Chief of the Soil Conservation Service from April 1982 until May 1985.

Before that, he operated a row crop and livestock farm in southeast Missouri for 17 years. During that time he served as a Commissioner of the Missouri Department of Conservation, on the Governor's Advisory Council on Agriculture, on the Governor's Task Force on Soil and Water Conservation, as Vice President of the Missouri Pork Producers Association, a director of the Missouri Cattlemen's Association, and as a

board member of the Missouri Farm Bureau Federation.

Myers has a B.S. degree in agronomy and animal husbandry from the University of Wisconsin.

Deborah T. Smith (202) 447-4026

#

U.S. - CANADA AGRICULTURAL TRADE TALKS SET FOR WASHINGTON IN JUNE

WASHINGTON, June 4—U.S. and Canadian agricultural leaders have scheduled a semi-annual consultation on agricultural trade for June 10 in Washington, D.C. The consultation is another in a series of semi-annual talks on agricultural trade called for under a 1984 agreement between the two countries.

U.S. Secretary of Agriculture Richard E. Lyng and Canadian Minister of Agriculture John Wise will lead the discussions which will cover bilateral agricultural trade issues.

In 1984, the United States and Canada agreed to schedule ministerial-level meetings twice a year to discuss agricultural trade between the two countries. The purpose of the semi-annual consultations is to improve the two countries' trade relationship by establishing a formal structure for regular dialogue.

Sally Klusaritz (202) 447-3448

#

USDA ANNOUNCES RECORD BEEF PURCHASES

WASHINGTON, June 4—Secretary of Agriculture Richard E. Lyng today announced the U.S. Department of Agriculture this week purchased a record amount of red meat—almost 29 million pounds—to help offset the impact of beef brought to market as a result of USDA's dairy termination program.

Under provisions of the 1985 Food Security Act, USDA is required to purchase 400 million pounds of red meat (in addition to its usual purchases for domestic feeding programs) to mitigate the effects on wholesale meat markets of increased slaughter of dairy cattle under the dairy termination program.

Lyng said this week's purchases bring the total amount of red meat bought under the program to about 120 million pounds, an amount that approaches the estimated amount of additional beef brought to market to date.

"Since the beginning of the 400-million-pound red meat purchase program," said Lyng, "USDA has bought 119,888,828 pounds at an approximate cost of $125.1 million, all of which is over and above our normal purchases for the school-lunch and other feeding programs."

Of the total amount of meat bought this week, 23 million pounds was frozen ground beef purchased at prices ranging from $0.9439 to $0.9673 per pound, for a total cost of $22 million; 5.9 million pounds was canned beef purchased at prices ranging from $1.1896 to $1.1947 per pound, for a total cost of $7 million.

Lyng also said that awards are expected to be made next week for the purchase of the initial phase of the 90,000 metric tons of carcass beef to be exported to Brazil. Based on preliminary indications, he said, next week's anticipated domestic purchases and the Brazilian purchase should bring the total beef purchased to date to an amount that equals or exceeds the additional beef brought to market as a result of the dairy termination program.

As authorized by the 1985 Farm Bill, half of the 400 million pounds will be donated to domestic nonprofit charitable institutions for the needy, to nutrition programs for the elderly, to nonprofit summer camps for children and to other child-nutrition programs including the school-lunch program. The remaining 200 million pounds will be exported.

Information on purchases may be obtained from the Contracting Officer, Livestock and Seed Division, AMS, USDA, Washington, D.C. 20250; telephone: (202) 447-2650.

David Nutter (202) 447-6179

#

USDA ANNOUNCES WEEKLY CATTLE SLAUGHTER, MEAT PURCHASES AND EXPORTS OF CATTLE UNDER THE DAIRY TERMINATION PROGRAM

WASHINGTON, June 4—An estimated 33,500 head of dairy cattle were slaughtered in federally-inspected plants during the week ending May 17, 1986, as a result of the Dairy Termination Program, the U.S.

Department of Agriculture announced today.

This total includes all cows, heifers and calves identified as dairy animals designated for disposition in compliance with the program requirements.

The cumulative total of cattle slaughtered under the program from April 1 through May 17 is an estimated 366,400 head.

The purchases of meat in addition to normal purchases are to help offset the effects of the DTP. These purchases, which totaled 11,724,688 pounds during the week ending May 31, consisted of 2,377,188 pounds of canned beef, 8,739,500 pounds of frozen bulk ground beef, and 608,000 pounds of frozen choice beef roasts.

In addition, 22,984,500 pounds of ground beef and 5,906,952 pounds of canned beef were purchased on June 4, 1986. The cumulative domestic purchases total 119,888,828 pounds.

Dairy cattle reported for export under the program for the period April 1 through May 31 totaled an estimated 6,532 head. Live cattle exported under the program are expected to increase as countries develop tenders to participate in the export enhancement programs. Live cattle exports are in addition to meat-purchase requirements.

The following table will be updated and released each Wednesday.

Table on next page

Cattle Slaughtered, Meat Purchased and Cattle Exported under the Dairy Termination Program[1]

	Week Ending (1986)	Cattle Slaughtered (Number)	Meat Purchased (Pounds)	Cattle Reported for Export[2] (Number)
April	19		5,762,880	
	26	259,700[3]	16,046,016	
May	3	36,300	17,530,200	2,000
	10	36,900	18,929,804	-
	17	33,500	10,729,480	-
	24		10,274,308	1,788
	31		11,724,688	2,744
June	7		28,891,452[4]	
	14			
	21			
	28			
Cumulative Total		366,400	119,888,828	6,532

[1]Includes all cows, heifers and calves under the DTP.
[2]Preliminary data, subject to revision.
[3]Estimated for April 1 - April 26.
[4]Thru June 4.

Bruce Merkle (202) 447-6787

#

USDA Program Announcement

U.S. Department of Agriculture • Office of Information

USDA Offers Options to Handle Shortage of Grain Storage Space

With storage space expected to be very tight in some areas of the country, the U.S. Department of Agriculture is offering warehousemen and producers options to meet shortages as they occur.

The Agricultural Stabilization and Conservation Service announced earlier this year that federal and state licensed warehousemen currently approved under a Uniform Grain Storage Agreement, may request approval from the Commodity Credit Corporation to store grain in emergency facilities.

Federally-licensed warehousemen must get approval from USDA's Kansas City Commodity Office, while state-licensed warehousemen must have approval of the state licensing authority.

Hopper cars, barges and outside storage are some examples of emergency storage. Emergency storage may be used as soon as approved and must be removed by March 31, 1987.

Warehousemen may also use approved temporary facilities. Unless conditions are waived, such as for certain bunker-type storage, these facilities must have hard surface flooring, rigid sidewalls, aeration, and acceptable covering.

Grain placed in temporary storage must be removed by May 1 of the following year, although the time period can be extended.

Warehousemen remain responsible for the quantity and quality of all grain put in either emergency or temporary storage.

Federally-licensed warehousemen may now transfer stored grain to another licensed warehouse for continued storage. This had been prohibited by the U.S. Warehouse Act of 1916, but the law was changed in March.

If the grain to be transferred is government-owned or under loan to

CC, terms of the USGA remain applicable. Certain requirements must e met prior to transfer, such as permission from ASCS's KCCO for overnment-owned grain and permission from the producer for grain nder CCC loan.

If a farmer wants to begin harvest and the local elevator is full, he can et a 90-day recourse loan to put grain on the ground or in temporary acilities, or temporary on-farm storage. Transportation assistance rograms are also available whereby a farmer can work with the county ffice to find storage elswehere.

With the combination of budget constraints and the direction of new arm legislation, there are no plans to encourage added permanent-type torage space, on- or off-farm. Current contingency plans should provide dequate storage. Contact: Bruce Merkle, Agricultural Stabilization and Conservation Service, (202) 447-6789

#

1986/24

United States Department of Agriculture

Office of Information

Selected Speeches and News Releases

June 6, - June 13, 1986

[illegible] PUBLIC LIBRARY

JUL 7 1986

U. S. GOVT. PUBS.
DEPOSITORY 376

IN THIS ISSUE

News Releases—

Forest Tree Planting Reaches All-Time High

Lloyd J. Fleck Named as Agricultural Counselor to Venezuela

Continued Purchases of Domestic Red Meat by Agencies Receiving Donations

Haas Named SCS Associate Chief

U.S. Agriculturalists to Visit Soviet Wheat Regions

USDA Moves to Prepare Environmental Impact Statement on Grasshopper Control

USDA Amends Regulations on Browntail Moth

National Poultry Improvement Plan Committee Meeting Set in San Francisco

USDA Announces New Assistant Secretary for Natural Resources & Environment

Extension Administrator to Step Down

USDA Announces Prevailing World Market Rice Prices

U.S. and Soviet Officials Discuss Grain Trade

USDA Issues Final Rule Raising Fees for Meat Grading and Certification Services

John Frydenlund to Head USDA Office of Congressional Relations

USDA Announces Weekly Cattle Slaughter, Meat Purchases and Exports of Cattle Under the Dairy Termination Program

21.24/2:

USDA Program Announcement—

USDA Issues Final Rule Revising Processed Products Inspection Regulations

USDA Accepting Applications from Noncertified Egg Producer Groups

USDA Issues Interim Final Rule on Amendments to 11 Southeastern Milk Orders

USDA Announces Additional Provisions of 1986 Upland Cotton Program

News Releases

U.S. Department of Agriculture • Office of Information

FOREST TREE PLANTING REACHES ALL-TIME HIGH

WASHINGTON, June 6—For the fourth consecutive year, the nation has broken all previous records for planting forest trees, Secretary of Agriculture Richard E. Lyng said today.

Trees were planted on 2.7 million acres in 1985, Lyng said, up from the previous high of 2.5 million in 1984. About 1.9 billion tree seedlings were produced for the plantings. Lyng said USDA's Forest Service predicts tree seedling production for 1986 may go over the 2 billion mark for the first time in history.

Eighty-six percent of the tree plantings in 1985 were on private lands, primarily in the South, 11 percent on federal lands, and the remaining 3 percent on non-federal public lands. Georgia led in tree planting with 457,000 acres, followed by Florida, 235,000 acres, Alabama, 224,000 acres and Mississippi, 212,000 acres.

Lyng said the Conservation Reserve Program established as part of the Food Security Act of 1985 is expected to increase forest tree planting efforts even more.

The CRP is designed to remove from cultivation as many as 40-45 million acres of highly erodible cropland and plant it to grass, trees and other vegetative cover. At least one-eighth of the total land enrolled, about 5 million acres, is expected to be planted to trees under this five-year program.

"The trend in tree planting on private lands and the influence of the CRP augurs a new era for forestry, particularly in the South. The bids accepted in the CRP for 1985 in the South provide for planting an additional 327,000 acres to pine trees next year. They are needed to sustain long-term timber supplies and employment in the South," Lyng said.

Lyng also said USDA's Forest Service plans to help mark the 200th birthday of the signing of the U.S. Constitution Sept. 17, 1987, by launching a national tree planting effort that will emphasize the roles of trees in American history. Details of the project, which will emphasize

the ceremonial planting of "Constitution trees" all over America, will be announced shortly.

Diane O'Connor (202) 447-4211

#

LLOYD J. FLECK NAMED AS AGRICULTURAL COUNSELOR TO VENEZUELA

WASHINGTON, June 6—Secretary of Agriculture Richard E. Lyng today named Lloyd J. Fleck as agricultural counselor to Venezuela. In his new assignment, Fleck will be responsible for agricultural reporting, market development and trade policy.

In fiscal 1985, the United States exported more than $715 million worth of agricultural products to Venezuela.

Fleck joined USDA's Foreign Agricultural Service in 1971 as a public information specialist in the Foreign Market Development Division. From 1976 to 1979 he served as the agricultural attache in Rome, Italy. His most recent assignment was as deputy assistant administrator for international agricultural statistics.

Fleck is a native of Charleston, W.Va. He holds a bachelor's degree from Florida Presbyterian College and did graduate study in enconomics at the University of Maryland. He also received a National Science Foundation Fellowship in history and philosophy of science from Johns Hopkins University Graduate School in Baltimore, Md. He is scheduled to arrive at the U.S. Embassy in Caracas in June.

Donald Washington (202) 447-7115

#

CONTINUED PURCHASES OF DOMESTIC RED MEAT BY AGENCIES RECEIVING DONATIONS

WASHINGTON, June 6—All agencies receiving red meat donated by the U.S. Department of Agriculture under the Dairy Termination Program have been directed by USDA to continue their purchases of red meat in normal quantities, according to Under Secretary of Agriculture Daniel Amstutz.

As part of the settlement between the department and beef interests in a

lawsuit over the effects of the DTP on beef prices, USDA agreed to undertake all reasonable measures to avoid displacements of red meat purchases in the domestic market as a result of USDA's donations of red meat under DTP.

"This is a reminder that regular purchases are to continue and should be limited, as far as possible, to domestically produced meat," Amstutz said.

Bruce Merkle (202) 447-6787

#

HAAS NAMED SCS ASSOCIATE CHIEF

WASHINGTON, June 10—Joseph W. Haas has been named associate chief of the U.S. Department of Agriculture's Soil Conservation Service, Secretary of Agriculture Richard E. Lyng announced today. The appointment was effective June 8.

Haas replaces Thomas G. Rockenbaugh, who retired June 3, as second-in-command to SCS chief Wilson Scaling.

Haas is a native of Illinois. He holds a bachelor's degree in agricultural engineering from the University of Illinois and a master's degree in civil engineering from Stanford University.

Haas began his federal career with the Soil Conservation Service as an agricultural engineer in Illinois in 1956. He was assistant state conservationist in Pennsylvania for two years before joining the SCS water resources staff in Washington, D.C., in 1969. He became assistant SCS administrator for water resources in 1975, deputy chief for natural resource projects in 1980, deputy chief for programs in 1984, and deputy chief for technology earlier this year.

As deputy chief for programs, Haas was responsible for policy development and management of SCS conservation programs. As deputy chief for technology, he was responsible for ensuring that the agency maintained its technical standards and procedures for planning and installing conservation practices.

Jim Benson (202) 447-7547

#

U.S. AGRICULTURALISTS TO VISIT SOVIET WHEAT REGIONS

WASHINGTON, June 10—Secretary of Agriculture Richard E. Lyng today announced that a three-member U.S. team will visit the Soviet Union June 19-28 to study that country's winter grains industry.

The visit is part of the U.S.-U.S.S.R. agreement on cooperation in the field of agriculture, which provides for the exchange of scientific and economic information relating to agriculture.

The agreement, which was entered into in 1973, provides for alternating visits by U.S. and Soviet agricultural teams. The U.S. team will include two U.S. Department of Agriculture staff members and a Montana State University research agronomist. They will visit the Soviet Union's primary winter grain regions near the cities of Minsk and Kiev.

A Soviet team will visit the United States in July to study the economics of producing grain in arid areas.

Sally Klusaritz (202) 447-3448

#

USDA MOVES TO PREPARE ENVIRONMENTAL IMPACT STATEMENT ON GRASSHOPPER CONTROL

WASHINGTON, June 10—U.S. Department of Agriculture officials are asking the public for comments on the grasshopper control program for next year.

Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service, said today that the department will consider these comments in preparing a new environmental impact statement for the 1987 Rangeland Grasshopper Cooperative Management Program.

Hawkins said that before the new statement is written, the public and federal, state and local agencies will be given the opportunity to identify and discuss significant issues affecting next year's treatment program. He said public meetings will be held on July 8, 1986, in Denver, Colo., and on July 10, 1986, in Boise, Idaho.

According to Hawkins, the new impact statement will address the effect on the environment of several treatment alternatives and the rationale for the preferred alternative. He said the treatment alternative chosen by APHIS for 1986 was "integrated pest management," which included the use of pesticides as well as Nosema locustae, a protozoan used as a

biological agent to control grasshoppers and Mormon crickets.

An APHIS representative will preside at the meetings and comments will be taken concerning any relevant issues that need to be discussed in the impact statement. Persons who wish to speak are requested to register with the presiding officer before the meeting. However, any other person who decides to speak at the meeting may do so after registered speakers have been heard. Written comments are also welcome.

The public meetings will be held from 9:30 a.m. to 4:00 p.m (registration starts at 9:00 a.m.) local time and will be held at the following locations: on July 8, in the Auditorium, Denver Federal Center, Building 25, 6th and Kipling, Denver, Colo.; and on July 10, in Room 523, Federal Building, 550 West Fort Street, Boise, Idaho.

APHIS works with western states, federal land managers and landowners to control grasshoppers and Mormon crickets on federal, state and private land. The agency and its cooperators carry out surveys to determine where economically damaging infestations are likely to occur and, upon request, conducts treatments to control them. Last year, 13.9 million acres in 17 Western states were treated at a cost of $21.5 million.

Notice of the public meetings was published June 9 in the Federal Register. Written comments concerning issues affecting the development of the environmental impact statement may be sent by July 9 to Charles H. Bare, Field Operations Support Staff, Animal and Plant Health Inspection Service, Room 663, Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782. Comments should state that they are in response to docket number 86-323.

Anita McGrady (301) 436-7799

#

USDA AMENDS REGULATIONS ON BROWNTAIL MOTH

WASHINGTON, June 10—The U.S. Department of Agriculture is amending its regulations for preventing the spread of gypsy and browntail moths by removing any reference to the browntail moth because this pest no longer threatens U.S. forest areas.

According to Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service, the browntail moth has been eradicated except for small areas in Barnstable County, Mass., and Cumberland and Sagadahoc Counties in Maine.

"Even where it is still present, the browntail moth lives only in wild beach plum trees and shrubs and wild multiflora rose shrubs where it feeds on their leaves," Hawkins said. "Such wild plants are not used for ornamental or commercial purposes so they are not likely to be moved from place to place. As a result, there is no longer any significant risk of artificial spread."

The previous regulations restricted the interstate movement of certain trees and shrubs from areas of Massachusetts and Maine to prevent the artificial spread of gypsy and browntail moths. The amendment removes these restrictions in regard to the browntail moth.

"Although plant materials must still be regulated for gypsy moth, nursery owners and others concerned with plant health no longer need to be on the alert for the browntail moth," Hawkins said.

This amendment was published today in the Federal Register and will become effective July 11.

Lynn Quarles (301) 436-7776

#

NATIONAL POULTRY IMPROVEMENT PLAN COMMITTEE MEETING SET IN SAN FRANCISCO

WASHINGTON, June 10—The general conference committee of the National Poultry Improvement Plan will meet to discuss poultry health issues June 23-26 at the Holiday Inn Fisherman's Wharf, 1300 Columbus Ave., San Francisco, Calif.

Among the conferees will be delegates to the biennial National Plan Conference. These delegates represent state officials and the poultry industry in 47 states that participate in the program. The agenda includes a review of federal poultry improvement regulations, including such items as testing for certain diseases, recognizing states that meet poultry husbandry standards and exploring the possibility of adding new poultry health programs.

The meeting, which is open to the public, will be held 9 a.m.-12 noon on June 23; 9 a.m.-5 p.m. on June 24 and 25; and 9 a.m.-2 p.m. on June 26.

The National Poultry Improvement plan is a voluntary state-federal-industry program designed to improve poultry, poultry products and hatcheries through better breeding practices and the control of certain

bacterial diseases. Written comments may be submitted before or during the meeting to Dr. I. L. Peterson, Senior Coordinator, National Poultry Improvement Plan, APHIS-VS, USDA, Room 848, Federal Bldg., 6505 Belcrest Rd., Hyattsville, Md. 20782. Comments should refer to Docket 86-056.

Betsy Adams (301) 436-7776

#

USDA ANNOUNCES NEW ASSISTANT SECRETARY FOR NATURAL RESOURCES & ENVIRONMENT

WASHINGTON, June 10—George S. Dunlop was sworn in today as Assistant Secretary for Natural Resources and Environment at the U.S. Department of Agriculture. He replaces Peter C. Myers, who became Deputy Secretary of Agriculture June 4.

Dunlop was chief of staff for the Senate Committee on Agriculture, Nutrition, and Forestry starting in January 1981, and minority staff director for the committee from January 1979 to January 1981. He was on the staff of Sen. Jesse Helms (R.-N.C.) from January 1973 to January 1979.

Dunlop has a B.A. from Catawba College in Salisbury, N.C. and a M.A. from Lehigh University. He did postgraduate work at Duke University's Institute of Policy Studies.

Dave Warren (202) 447-4026

#

EXTENSION ADMINISTRATOR TO STEP DOWN

WASHINGTON, June 10—The administrator of the U.S.. Department of Agriculture's Extension Service, Dr. Mary Nell Greenwood, will be stepping down July 14. She will be succeeded on an interim basis by Dr. Myron Johnsrud, director of the North Dakota Cooperative Extension Service.

Dr. Orville G. Bentley, assistant secretary for science and education, said that Dr. Greenwood had requested to be relieved of her administrative responsibilities because of health factors. She will become an assistant to the administrator.

Dr. Greenwood has served as administrator since 1980. She joined USDA in 1978. A native of Missouri, she served as director of Extension Programs at the University of Missouri before coming to Washington.

Bentley said, "Dr. Greenwood has been a dedicated and effective administrator. Her national leadership in Extension has touched the lives of thousands of Americans. The countless awards for public service Dr. Greenwood has received throughout her career attest to the contributions she has made to American agriculture."

Dr. Johnsrud will take over as administrator July 14 and will serve until a permanent administrator is selected. Bentley said, "Dr. Johnsrud is no stranger to Extension. He has headed the North Dakota Cooperative Extension Service since 1974. Prior to moving to North Dakota, he was director of staff development for the Extension Service in Washington. I am pleased that he has now agreed to return to Washington to provide leadership to Extension as we begin the task of selecting a permanent administrator."

Michael Hoback (202) 447-5035

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, June 10—Deputy Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market prices of rice, loan rate basis, as follows:

—long grain whole kernels, 5.78 cents per pound;
—medium grain whole kernels, 4.79 cents per pound;
—short grain whole kernels, 4.79 cents per pound;
—broken kernels, 2.89 cents per pound.

Based on the world prices announced today, the per hundredweight repayment rates for 1985-crop farm-stored loans are $3.51 for long grain rice, $2.98 for medium grain rice, and $2.98 for short grain rice.

The prices announced today are effective at 3:00 p.m. EDT. The next scheduled price announcement will be made June 17 at 3:00 p.m. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

U.S. AND SOVIET OFFICIALS DISCUSS GRAIN TRADE

WASHINGTON, June 10—U.S. and Soviet officials have concluded two days of talks in Moscow on grain supplies and trade prospects for the two countries. These meetings were a continuation of the regular series of semi-annual consultations called for under the current U.S.-USSR grain agreement which was signed in 1983 and extends through Sept. 30, 1988.

Under Secretary of Agriculture Daniel G. Amstutz led the U.S. delegation. The Soviet side was headed by V. Ivanov, Deputy Minister for the Ministry of Foreign Trade.

Amstutz said that the sessions covered the usual topics, primarily consisting of an exchange of views on the situation and outlook for grains and a review of actual trade taking place under the agreement.

During the review of purchases and shipments, a major topic was the status of the agreement requirement that at least 4 million metric tons of U.S. wheat must be purchased by the USSR for shipment during each October-September year. Last year, only 2.9 million metric tons were traded; as a result, 1984/85 was the first year of any shortfall since the inception of the original five-year agreement in October 1976.

Currently, with two-thirds of the 1985/86 marketing year passed, shipments have totalled only 153,000 tons and a further 3.85 million metric tons remain to be purchased for shipment before September 30. Discussions of this problem produced no assurance that this year's remaining balance would be taken, although the Soviet side indicated the possibility of making some additional purchases this summer after a better assessment of this year's Soviet grain output.

So far this year, USSR purchases of U.S. corn and soybeans for shipment in 1985/86 have totalled 6.8 million metric tons and 1.5 million metric tons, respectively.

The current U.S.-USSR grain agreement calls for minimum annual shipments of 9 million metric tons, of which at least 4 million metric tons must be wheat and at least 4 million metric tons must be corn. The Soviets have the option of satisfying the remaining 1 million metric tons with either wheat, corn, soybeans and/or soybean meal, on the basis that every ton of soybeans and/or meal, up to a maximum of 500,000 tons, counts as two tons of grain. The agreement also specifies that the U.S.S.R. may purchase up to 12 million metric tons of wheat and/or corn annually without prior consultations. Last October, the United States

authorized the USSR to buy an additional 10 million metric tons this year.

The USSR gave no official estimates of this year's grain crop in the Soviet Union, but did express an opinion that the crop is likely to be larger than a year ago. The U.S. Department of Agriculture has estimated that last year's Soviet grain crop totalled 190 million metric tons.

Sally Klusaritz (202) 447-3448

#

USDA ISSUES FINAL RULE RAISING FEES FOR MEAT GRADING AND CERTIFICATION SERVICES

WASHINGTON, June 11—The U.S. Department of Agriculture has issued a final rule raising the hourly fee charged for its meat grading and certification services and establishing separate fee rates for different types of service, a department official announced today.

Paul Fuller, an official with the Agricultural Marketing Service, said the revised fee schedule has been in effect since Feb. 16, and became final today upon publication in the Federal Register.

Meat grading and certification are voluntary services provided to meatpackers and processors for a fee that is required by law to be approximately equal to the cost of providing services. Fuller said the new fees are needed to cover program operating costs.

"With the establishment of separate fee rates for different types of service," said Fuller, "AMS will more equitably distribute the program's operating expenses to the meatpackers and processors."

Currently, there are two types of service applicants—commitment and noncommitment. Commitment applicants agree to guarantee 40 hours of revenue for service per week. Noncommitment applicants request service for a particular day and for the amount of time necessary to complete a specific task. The cost of providing service to noncommitment applicants is substantially higher than the cost of providing service to commitment applicants.

Under the new fee schedule, the base rate for commitment applicants will be $27.40 per hour, and the base rate for noncommitment applicants will be $29.80 per hour. All applicants will be charged $35.40 for services performed during premium hours (time in excess of eight hours per day between 6:00 a.m. and 6:00 p.m., and for hours worked before

6:00 a.m. and after 6:00 p.m., Monday through Friday, and anytime on Saturday and Sunday) and $54.80 for the hours when a meat grader is utilized on federal holidays.

Copies of the rule may be obtained from the Livestock and Seed Division, Room 2638-S, AMS, USDA, Washington, D.C. 20250.

David Nutter (202) 447-6179

#

JOHN FRYDENLUND TO HEAD USDA OFFICE OF CONGRESSIONAL RELATIONS

WASHINGTON, June 11—Secretary of Agriculture Richard E. Lyng today appointed John E. Frydenlund director of USDA's Office of Congressional Relations.

Frydenlund has served in the Office of Congressional Relations since February 1981, and as acting director since February 1986.

He previously worked as a staff member in the U.S. House of Representatives and for the Republican Study Committee.

Frydenlund grew up on his family's dairy farm near Hayward, Minn., where he served as mayor from 1977 to 1979. He now lives in Springfield, Va., with his wife and daughter.

Deborah Takiff Smith (202) 447-4026

#

USDA ANNOUNCES WEEKLY CATTLE SLAUGHTER, MEAT PURCHASES AND EXPORTS OF CATTLE UNDER THE DAIRY TERMINATION PROGRAM

WASHINGTON, June 11—An estimated 31,500 head of dairy cattle were slaughtered in federally-inspected plants during the week ending May 24, 1986, as a result of the Dairy Termination Program, the U.S. Department of Agriculture announced today.

This total includes all cows, heifers and calves identified as dairy animals designated for disposition in compliance with the program requirements.

The cumulative total of cattle slaughtered under the program from April 1 through May 24 is an estimated 397,900 head.

The purchases of meat in addition to normal purchases are to help offset the effects of the DTP on the domestic meat market. These purchases, which totaled 29,879,452 pounds during the week ending June 7, consisted of 5,906,952 pounds of canned beef, 22,954,500 pounds of frozen bulk ground beef and 988,000 pounds of frozen choice beef roasts. The cumulative purchases total 120,876,828 pounds.

Dairy cattle reported for export under the program for the period April 1 through June 7 totaled an estimated 8,241 head. Live cattle exported under the program are expected to increase as countries develop tenders to participate in the export enhancement programs. Live cattle exports are in addition to meat-purchase requirements.

The following table will be updated and released each Wednesday.

Cattle Slaughtered, Meat Purchased and Cattle Exported under the Dairy Termination Program[1]

Week Ending (1986)		Cattle Slaughtered (Number)	Planned Meat Purchases (Pounds)	Meat Purchased (Pounds)	Cattle Reported for Export[2] (Number)
April	19			5,762,880	
	26	259,700[3]		16,046,016	
May	3	36,300		17,530,200	2,000
	10	36,900		18,929,804	-
	17	33,500		10,729,480	-
	24	31,500		10,274,308	1,788
	31		122,400,000[4]	11,724,688	2,744
June	7			28,891,452[4]	1,709
	14				
	21				
	28				
Cumulative Total		397,900	122,400,000[4]	120,876,828	8,241

[1]Includes all cows, heifers and calves under the DTP.
[2]Preliminary data, subject to revision.
[3]Estimated for April 1 - April 26.

#

USDA Program Announcement

U.S. Department of Agriculture • Office of Information

USDA ISSUES FINAL RULE REVISING PROCESSED PRODUCTS INSPECTION REGULATIONS

The U.S. Department of Agriculture today revised its regulations covering inspection and certification of processed fruits, vegetables and related products. The new rule will improve the effectiveness of the inspection service.

The major amendments of the rule, which was published June 5 in the Federal Register, are designed to:

—revise sampling plans by limiting the lot size to correspond to a sample size with a maximum of 29 units;

—revise and readjust the schedule of fees and charges for inspection;

—provide for control of labels bearing approved grade or inspection marks when a contract for service is cancelled;

—revise the approved identification section which allows for the use of the official sample mark.

The revised fees provide a uniform charge for inspection by incorporating the transportation and subsistence costs into one fee; provides an hourly rate for analyses and other applicable services where no travel expenses are incurred; and increases the hourly rates and overtime to more closely reflect costs for the various services.

USDA establishes grade standards and provides official grading for many agricultural products. Use of the standards and grading service is voluntary and self-supporting.

Copies of the rule may be obtained from the Fruit and Vegetable Division, Processed Products Branch, Room 0709-S, AMS, USDA, Washington, D.C. 20250; telephone: (202) 447-5021.

David Nutter (202) 447-6179

USDA ACCEPTING APPLICATIONS FROM NONCERTIFIED EGG PRODUCER GROUPS

Egg producer groups who are not already certified but who want to nominate members and alternates to the American Egg Board must apply to the U.S. Department of Agriculture for certification by June 20, a department official announced today.

Only egg producer groups certified by the secretary of agriculture will be allowed to submit nominees. After the organizations are certified, USDA will ask for nominations to fill the two-year terms of nine members and their alternates whose terms expire at the end of 1986. Half of the membership of the board is replaced each year.

Organizations already certified need not reapply. During the summer, certified organizations will be mailed information on how to nominate producers or representatives of producers.

The 18-member board administers the producer-sponsored national research and promotion program designed to strengthen the egg industry's position in the marketplace. Activities are carried out under the research and promotion program authorized by the Egg Research and Consumer Information Act.

Certification forms and information on eligibility are available from Janice Lockard, Poultry Division, Room 3955-S, AMS, USDA, Washington, D.C. 20250. Phone (202) 382-8132.

David Nutter (202) 447-6179

#

USDA ISSUES INTERIM FINAL RULE ON AMENDMENTS TO 11 SOUTHEASTERN MILK ORDERS

The U.S. Department of Agriculture has issued an interim final rule amending the location adjustment provisions in 11 southeastern federal milk marketing orders. The amendments would modify the plant location adjustment provisions under the orders to conform with increased Class I price differentials mandated by the Food Security Act of 1985.

The revised location adjustments reflect a north-to-south price surface that increases at a rate of 2.5 cents per hundredweight per 10 miles from the plants. Currently, the orders provide for adjustments of 1.5 cents per 10 miles.

The affected milk marketing orders are Upper Florida, Tampa Bay, Southeastern Florida, Georgia, Tennessee Valley, Greater Louisiana, Alabama-West Florida, New Orleans-Mississippi, Nashville, Paducah, and Louisville-Lexington-Evansville.

USDA will conduct a poll of the affected cooperative associations to determine their support for the amendments. However, a referendum will be conducted in the Lousiville-Lexington-Evansville market because less than two-thirds of the producers belong to cooperatve associations. At least two-thirds of the producers in each market must approve the changes in the orders.

The decision is based on the record of a public hearing held in Atlanta, Georgia, Feb. 25-27.

Notice of the interim final rule was published today in the Federal Register. Comments and exceptions, postmarked by June 27, should be sent to the Hearing Clerk, Room 1079-S, USDA, AMS, Washington, D.C. 20250.

David Nutter (202) 447-6179

#

USDA ANNOUNCES ADDITIONAL PROVISIONS OF 1986 UPLAND COTTON PROGRAM

Secretary of Agriculture Richard E. Lyng today announced additional details of the commodity certificate provisions of the 1986 upland cotton program to provide the U.S. cotton industry with information needed to make final plans for the cotton marketing season.

The Food Security Act of 1985 provides authority for payments to be made in commodities under several provisions of the upland cotton program.

Cotton commodity certificate categories include first handler, inventory protection, loan deficiency and additional yield. Generic certificates issued under the 1986 wheat, feed grain and conservation reserve programs, may be used to obtain upland cotton. However, cotton commodity certificates may be used only for obtaining upland cotton. It may be either cotton pledged as collateral for an outstanding 1984, 1985 or 1986-crop price support loan or cotton in Commodity Credit Corporation inventory.

A fact sheet providing additional details may be obtained from: Charles Cunningham, Deputy Director, Commodity Analysis Division, ASCS, U.S. Department of Agriculture, Rm. 3741-S, Washington, D.C. 20250. Telephone: (202) 447-7954.

#